

Enabling Market Based Programming: Market Analysis in Counter Terrorism Contexts



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TABLE OF CONTENTS

1.	INTRODUCTION	4
1.1	Overall framing	4
1.2	Framework scope.....	4
1.3	Positioning	5
2.	WHAT ARE CTMS AND WHY ARE THEY RELEVANT?	6
2.1	What are CTMs and to whom do they apply?	6
2.2	Why are CTMs relevant to Humanitarian Response?.....	6
2.3	How should an agency manage CTM-related risks?	7
2.4	Why are CTMs relevant to market analysis?	8
	Box 1: MBP & CTM Myth Busting	9
3.	MARKET ANALYSIS & CTM FRAMEWORK	10
3.1	Introduction.....	10
	Box 2: Managing Market Analysis Procedural Risks in CT Contexts	11
3.2	Step 1: Setting the Scope	12
3.3	Step 2: Data Collection and Information Needs.....	13
3.4	Step 3: Using Market Information.....	14
3.5	Cross-Cutting Step: Risk & Opportunity Management	15
4.	DETAILED GUIDANCE.....	16
4.1	Step 1: Setting the Scope	16
4.2	Step 2: Data Collection and Information Needs.....	20
4.3	Step 3: Using Market Information.....	26
4.4	Cross-Cutting Step: Risk & Opportunity Management	31
	Annex 1: Glossary.....	35
	Annex 2: Sample Additional Questions	36

1. Introduction

1.1 Overall framing

People in crises access most of their essential goods, services, and income from local markets. In response, humanitarian agencies are increasingly seeking **ways to work through, support or develop these markets** to better enable affected populations to access the goods and services they require in a more sustainable manner. As a result, humanitarian actors have developed a range of market analysis tools to help them both understand the markets they seek to work with and design program solutions that improve peoples' access to needed goods, services, and income opportunities.

As conflict dynamics change around the world and we increasingly work in fragile contexts, humanitarian teams are being challenged to understand and work with markets where **Designated Terrorist Entities (DTEs) and Counter Terrorism Measures (CTMs)** are part of the operational landscape. When DTEs are present, programs will need to account for additional risks related to global, regional and local CTMs, including legislation and sanctions, as well as the opportunities market based programming (MBP) offers in such contexts. The first step to do this, is to include consideration of DTEs and CTMs in market analysis.

Current market analysis toolkits and guidance are often silent on specific additional requirements in these contexts. This leaves teams undertaking market analysis or hoping to adopt a market-based approach in their programs exposed to various risks, as well as potentially overlooking key actors and factors in market systems. This framework seeks to **layer counter terrorism considerations onto a standard market analysis** to help teams navigate these particularly challenging environments.

1.2 Framework scope

The framework should be read as a **set of steps and guiding questions**. It is not necessarily exhaustive and should be taken as suggestions. Some pieces may not be relevant or useful in a given circumstance, so users are encouraged to focus on the parts that help in their specific context.

This framework is focused on the **market analysis**¹ stage of the program cycle. Although at times it will point towards subsequent stages, it does not specifically cover program design, activity selection, implementation, or monitoring (or equivalent).

¹ **For NRC staff** - This resource is primarily framed to build off Market Analyses led by Program teams. That said, the added risk, opportunities and guidance is still relevant to Logistics-led Type 1 Market Analyses. Consult the [Market Systems SharePoint](#) for further details.

This framework also focuses on issues specific to **Counter Terrorism (CT) Contexts, as opposed to conflict settings more broadly**. Where required, agencies' efforts to adapt, augment and share other relevant resources must continue.

This framework is written from the perspective of NRC (hence some links are NRC-specific) and similar large international NGOs. As such, the resultant **biases related to these agencies' origin, resource levels and relative lack of local integration** must be leant into, for better and worse. At the same time, it is hoped that the resource is also useful to local market actor partners, introducing an aspect of the international humanitarian ecosystem in which they are increasingly to take lead roles.

The framework should be read in conjunction with NRC's [Toolkit for Principled Humanitarian Action: Managing Counter Terrorism Risks](#). The toolkit raises awareness of CT-related risks to support organisations in efforts to identify and mitigate them. It aims to make risk management approaches accessible while pursuing Principled Humanitarian Action (PHA). Where Cash & Voucher Assistance (CVA) is a relevant part of program design, NRC's [Remote Cash Project](#) may also be helpful. Consistent with NRC's emphasis on supporting people in the most challenging environments, both of these enabling resources are to be updated in late 2023.

1.3 Positioning

Working with and through market systems is not new to NRC or the humanitarian community. **Using markets** via CVA or local procurement is 'business as usual'. **Supporting markets** after a shock and **changing or developing markets** to serve people better is also not new. It [has been done](#) instinctively by skilled program teams in all program areas for many years.

[NRC's Global Strategy 2022-2025](#) gave the organisation a much broader perspective on **systems change and how it can transform the lives** of the people we work with. A focus on self-reliance as an outcome, collaboration with local actors and positive environmental impact all point towards working with market systems.

There are several key frameworks that are practical, accessible, and relevant to NRC programming. Definitions and terminology vary between them – for MBP there is no technical convening body akin to sectoral clusters or the [CALP Network](#) for CVA. Nonetheless, NRC² leans towards the [Market Based Programming Framework](#) by the [Markets in Crises](#) group, and NRC materials are consistent with this whenever possible.

A more specific glossary for this piece has been included as **Annex 1**.

² Core resources: NRC staff can access the Market Systems resource page on Sharepoint, including the set of seven mini-tools for program design. Where more specialised resources are needed, or where there is a gap in an agency's guidance, the publicly available [Market-Based Programming Toolbox](#) has been compiled from the publications of many agencies to offer the most concise set of resources for each stage in the program cycle.

2. What are CTMs and why are they relevant?

2.1 What are CTMs and to whom do they apply?

CTMs are comprised of **legislation, donor instruments, or sanctions** that seek to prohibit acts of terror. These measures range from multilateral legal restrictions on engaging with DTEs to hyper local curfews or prohibitions on specific goods. They are determined by states unilaterally or multilaterally and introduced through:

1. UN Security Council (UNSC) resolutions and other **international** instruments (e.g. the Financial Action Task Force (FATF)³);
2. **Regional** bodies, such as the European Union (EU); and/or
3. States' own **national or sub-national** legislation and regulations.

For humanitarian agencies, obligations and risks related to CTMs are derived from **several jurisdictions**, including i) the country of agency registration; ii) country of operation; and iii) donor country. They apply to **DTEs**, which can be either individuals or groups, or **Sanctioned Entities**, in the case of counter terrorism sanctions⁴.

Humanitarian responses are also often subject to CTMs in the form of contractual requirements, included as **additional clauses or obligations**, in donor grant agreements or supplier contracts. Lastly, CTMs are frequently codified within the policies and ways of working of humanitarian agencies.

2.2 Why are CTMs relevant to Humanitarian Response?

The presence of DTEs and application of CTM, not least in humanitarian contexts, can have **profound negative effects on individuals, local communities and the systems** upon which they rely, including but not limited to a so-called “chilling effect” on markets and economies writ large. While working in contexts where DTEs are present, it is becoming increasingly important for humanitarian actors to **factor this specific impact into our assessments and analyses**. This will not only help mitigate the risks posed, but also encourage Principled Humanitarian Action (PHA)⁵ and the design of programs that effectively serve the needs of affected individuals and communities.

³ The FATF ([Home \(fatf-gafi.org\)](http://www.fatf-gafi.org)) is the global money laundering and terrorist financing watchdog. It sets international standards that aim to prevent these illegal activities and the harm they cause to society.

⁴ Not all NSAGs or other High-Risk Groups, such as Criminal Gangs, are DTEs or subject to counter terrorism sanctions. This is not to say that these groups may not have malevolent influence, or vice versa, simply that they are not inherently subject to a terrorist designation or counter terrorism sanction.

⁵ Namely the provision of protection and assistance in accordance with humanitarian principles of humanity, impartiality, neutrality and independence, as well as applicable legal frameworks (International Humanitarian Law, International Human Rights Law and International Refugee Law).

In addition, the **potential impacts of CTMs on humanitarian operations** are usefully categorised by [NRC's Toolkit for PHA](#) as criminal, security, contractual and humanitarian principles (see Table 1 for selected examples).

Table 1: Selected Examples of Risk Categories and Operational Impacts from NRC's Toolkit for PHA

Risk Category	Operational Impact	Example
Criminal	Criminalisation of staff	Criminal laws designed to counter terrorism have the potential to criminalise humanitarian workers, especially local staff. Potential offences that could involve criminal responsibility include presence in an area of designated terrorist activity, the indirect financing of terrorism and broad forms of association with proscribed groups.
Security	Insecurity	CTMs can create uncertainty for organisations about contacting Non-State Armed Groups (NSAGs) that are also DTEs, for example to negotiate access. The decision to engage or not can pose differing insecurity risks, for example due to perceptions of partiality or non-neutrality.
Contractual	Lower quality of response	Compliance with donor CT requirements may reduce the quality of an organisation's response by causing it to choose modalities perceived as lower risk even if they are less appropriate and effective for a particular context.
Humanitarian Principles	Compromised impartiality	To minimise exposure to CT risks, organisations may choose not to provide assistance in areas controlled by NSAGs that are also DTEs, regardless of humanitarian needs. This compromises the impartiality of their response and leaves affected populations without the assistance they need simply because of their location.

In certain instances, **Humanitarian Exemptions**⁶ have been enacted to exclude humanitarian organisations and their staff from the requirement to comply with elements of CTMs and sanctions regimes that may obstruct their work. In essence, such exemptions carve out a space for PHA, allowing organisations to deliver their services without the risk of contravening such regimes. A recent example of this is [UNSC Resolution 2664](#), under which nearly all UN sanctions preventing resource transfers to sanctioned groups/countries do not apply to transactions needed for delivery of humanitarian assistance or activities supporting basic needs.

2.3 How should an agency manage CTM-related risks?

The **main objective of managing CTM-related risks** is to continue providing quality and principled humanitarian programming, safely and within the bounds of the legal and contractual requirements placed on us. This is best achieved by mainstreaming CTMs into risk management frameworks, to enable timely identification, evaluation, and mitigation of related risks throughout the program cycle.

This typically involves:

1. incorporating **relevant measures into existing organisational policies, procedures, guidance and tools** for risk mitigation;

⁶ For further information on HEs, refer to the related Info Box in Section 2 of NRC's Toolkit for PHA ([Where do counter terrorism measures come from? \(nrc.no\)](#)) or the Briefing Memorandum referenced therein ([Understanding Humanitarian Exemptions April 2016.pdf \(harvard.edu\)](#))

2. adopting **standalone mitigative actions**⁷;
3. **mitigation through program design** decisions; and
4. individual or collective **advocacy towards the UN, donor and other relevant stakeholders**.⁸

When identifying and evaluating risk, it is best to adopt a **holistic approach** that identifies both the categories or types of risk and the ultimate bearer(s) of said risks, as explained further in the Risk & Opportunity Management section of the Framework.

In the likely scenario of residual risk(s), namely CTM-related risk(s) that cannot be sufficiently mitigated, the decision whether or not to proceed (commonly referred to as “Go/No-Go”) should be informed by a **program criticality assessment**. This involves weighing the nature and extent of the residual risk against the humanitarian imperative to protect and assist those in need.

In case of a “Go” decision, organisations should then ensure systematic and, where relevant, ad hoc **monitoring and reporting of CTM-related risks**, not least in light of changes to applicable CTM or prevailing humanitarian needs.

2.4 Why are CTMs relevant to market analysis?

In CT Contexts, local market systems and the actors and factors that comprise them are likely to be affected by DTEs and CTMs, so and it’s important to factor this into market analysis. Understanding their role in the market will help you plan for and mitigate risks, as well as design more effective, principled MBP. In short, how do DTEs and CTMs impact access to and functionality of the market systems we are seeking to use, support or change, and should we do something about it?


CTMs have been shown to **significantly impact humanitarian needs, as well as market access and functionality**. For example, curfews, movement limitations, and restrictions on the production or exchange of particular goods can all hinder market access or functionality, especially in areas that DTEs control. Furthermore, the presence of DTEs and the rules, restrictions, or norms they impose on the local population may also significantly alter market behaviour. They may restrict access to trading or reduce movement for individuals who don’t support them. Similarly, there have been examples where DTEs tax and then provide financial assistance to improve their relationship with local populations.

All humanitarian programs in CT Contexts need to be CTM sensitive and MBP is no exception. **MBP, particularly the intention to use, support or change markets, must take CTM into account to design for success**. Understanding the risks and opportunities of working with markets and market actors in CT Contexts is the first step to ensuring both compliance and CTM sensitive programming, including what risks and opportunities are specific to the locations and market systems of focus.

⁷ These might include vetting potential service providers, ex-ante contractual review to identify Donor Requirements or “touchpoint” analysis of associated legal risks.

⁸ Such advocacy has been focused on areas like Humanitarian Exemptions, bank de-risking and removal of restrictive contractual clauses.

Furthermore, MBP may ultimately be one way to mitigate CTM-related risks. Although working more closely with markets may initially appear to pose additional risks, it might also present opportunities (for examples of other such myths around MBP and CTM, refer to Box 1 below). For example, facilitative programming approaches may reduce the extent of direct material aid you provide and presents opportunities to work differently in challenging contexts, thus potentially reducing exposure to CTMs. The first step to doing this is to identify and understand the role DTEs and CTMs play in the markets by factoring them into your market analysis.

 *Before starting any market analysis in a CT Context, remember to check if there are any pre-existing organisational decisions or positions on operating there. For example, your organisation’s senior management may already have a policy limiting operations in the area given the level of DTE activity. This does not necessarily mean you shouldn’t move forward but may change your planning at various steps.*

Box 1: MBP & CTM Myth Busting

The following is an effort to bust some of the most common myths or misperceptions surrounding Market Analysis and MBP in CT contexts:

Myth 1: DTEs and CTMs are simply not relevant when undertaking Market Analysis or implementing MBP.

- DTEs and CTMs can inhibit the conduct of market analysis, influence analytical scope or undermine the achievement of MBP objectives. As such, they should be mainstreamed in the market analysis, when relevant, and associated risks duly mitigated;

Myth 2: MBP is inherently infeasible or inappropriate in DTE/CTM contexts, so there’s no point in doing a Market Analysis.

- It may be that DTEs or CTMs ultimately pose no material risks or that any such risk can be effectively mitigated or outweighed by the humanitarian imperative. As such, the decision whether or not to proceed should be based on sufficiently nuanced risk analysis;

Myth 3: Adopting an MBP approach only increases risks related to DTE/CTM.

- Certain risks arise regardless of the overarching programming approach, not to mention that MBP may even offer an opportunity to reduce risks, for example through the adoption of a more indirect or facilitative approach. As such, it is important to consider MBP in such contexts as much as an opportunity as a potential risk;

Myth 4: Mainstreaming DTEs and CTMs in Market Analysis requires program staff to fully understand and accurately interpret complex CTL, gather exhaustive information and decide whether or not to proceed.

- Qualified advice can (and should) be sought from legal, security, access and other counterparts, the nature and extent of information gathered should be “good enough” to inform related decisions and “Go-No Go” and other key decisions should be made in accordance with organisational protocol, involving senior management when relevant; and

Myth 5: CTMs only pose legal risks to humanitarian agencies and their staff.

- Not only do CTMs pose a variety of other risks (e.g. security, contractual, humanitarian principles), they are often borne by other stakeholders, such as local implementing partners, service providers or people with whom we work. As such, it is vital to adopt a holistic risk management approach, in terms of both risk type and risk bearer.

3. Market Analysis & CTM Framework

3.1 Introduction

Recognising that the presence of DTEs and CTMs will change the risk profile and dynamics of your program as well as having an impact on market access and function, the framework below presents steps and questions that should help teams better understand the specific challenges and opportunities in their contexts. The framework aims to help answer **three overarching questions**:

1. What impact are DTEs and CTMs having on the market system(s)?
2. Is it feasible and appropriate to undertake MBP given the presence of DTEs and application of CTMs?
3. Could an MBP approach help mitigate the risks of operating in the area, or even be part of the solution?

This framework⁹ is intended to be **used alongside general market analysis guidance by layering CTM considerations into steps teams are already undertaking**. The guidance here is presented as questions, or considerations in addition to those asked in a standard market analysis. Each of the following steps includes i) purpose; ii) key questions; iii) sub-steps; iv) additional considerations; and v) tools, sources or outputs (see Figure 1 overleaf for a visual depiction):

Step 1: Setting the scope: ensuring DTEs and CTMs are considered when setting the geographic, market system, and analytical scope of market analysis.

Step 2: Data collection and information needs: additional information needed to understand the impact of, as well as risks associated with, CTMs and how to adapt data collection methodology to gather relevant data.

Step 3: Using market information: guidance on using information collected to inform your analysis, including the impact of CTMs on market access and functionality, to inform key MBP design decisions.

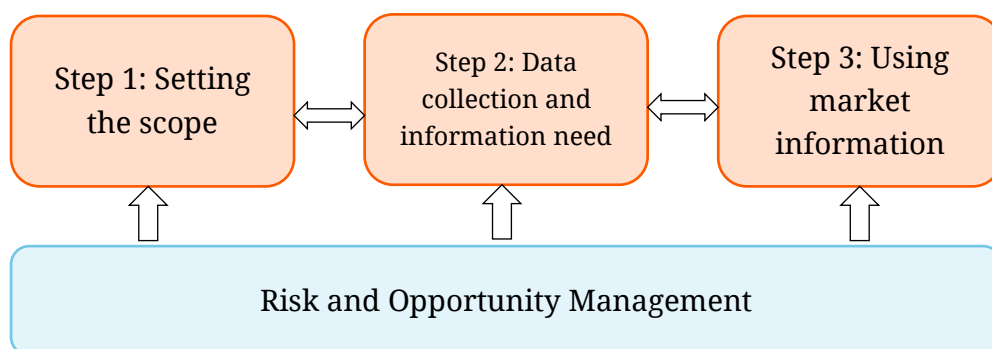
Cross-Cutting: Risk & opportunity management: managing risks and opportunities associated with undertaking MBP in CT contexts across all steps.


Further guidance in each respect is then provided in Section 4 below.

⁹ The framework below roughly mirrors the overall structure of the [Multi-Sector Market Assessment Guidance Toolkit \(MSMA\)](#), with two key differences: i) The MSMA focuses on market analysis for programs intending to **use** markets; it does not go in depth into analysis for **support** or **change** programs; and ii) Steps 4 (Collate findings and write final report) and 5 (Monitor markets) of the MSMA are considered beyond scope for this framework.

Although the steps are presented sequentially, a **market analysis is necessarily an iterative process**. As such, you will likely need to revisit earlier steps as new information is collected and analysed.

Figure 1: Visual Summary of the different components of the MA & CTM Framework



 Remember you only need to collect and analyse sufficient information to make “good enough” decisions for your programs. This does not need to be an exhaustive review of all DTEs and CTMs in your country.

Box 2: Managing Market Analysis Procedural Risks in CT Contexts


While planning for a market analysis, it is important to **identify, analyse and mitigate risks related to the conduct of the analysis itself**, herein referred to as “Procedural Risks”. This applies to any market analysis process but is especially important in contexts where DTEs are present and CTMs apply.

NB - Procedural Risks differ from i) risks posed by DTEs & CTMs to market access and functionality (this is considered in depth in Step 3. Market Analysis); and ii) risks related to the adoption of MBP in DTE and CTM contexts (this is considered in depth in Step 4. Risk & Opportunity Management).

Procedural Risks might be general in nature but are **typically specific to a certain Step of the analysis**, namely Step 1. Scoping; Step 2. Data Collection; and Step 3. Market Analysis. As such, Procedural Risk has been mainstreamed throughout this framework, with examples included at the end of guidance for each respective Step.

As with any effective risk management, the **management of Procedural Risks should be holistic**, both in respect of the categories or types of risk considered and the ultimate bearer(s) of such risks. In particular, it should consider a range of risk types (e.g. security, access, humanitarian principles) not only for the organisation and its staff but also for other key stakeholders.


Prioritised risks, i.e. those of higher likelihood and potential impact, and associated mitigation measures should be **regularly reviewed to ensure they remain sufficient** or, in light of new information or changes to the analysis methodology, need updating.

 Many key questions or additional considerations might already have been part of your standard market analysis. In the places we are suggesting additional or distinct steps we have indicated the change with this symbol.

3.2 Step 1: Setting the Scope

<p>Purpose</p> <p>To collect and analyse existing information on DTEs/CTMs to set the scope of market analysis.</p>		
<p>Key Questions</p> <ol style="list-style-type: none"> 1. Does the presence of DTEs and CTMs impact the geographic, market system and/or analytical scope of your market analysis? 2. If so, what needs to change and what are the associated risks, especially if compromising Principled Humanitarian Action? 		
Sub-step	Specific Considerations or Actions	Tools, Sources or Outputs
<p>1.1 Review existing information</p>	<p>Collate, document, and analyse information on DTEs and CTMs in the context, as relevant for your three key scoping decisions.</p> <p>Identify, document residual information gaps to be filled before proceeding or in Step 2.</p>	<p>T: Adapted MSMA DCT1</p> <p>S: Updated “Touchpoint Analysis” or equivalent</p> <p>O: Document key information gaps</p>
<p>1.2 Define scope of analysis</p>	<p><i>Geographic Scope:</i></p> <p>Given the presence of DTEs/CTMs, are certain locations off limits, for market analysis and/or potential MBP?</p> <p>Should certain locations be prioritised given the presence of DTEs/CTM?</p> <p><i>Market System Scope:</i></p> <p>Are there market systems that should not be included in the scope because they are assessed as too risky?</p> <p>Are there principal or interconnected market systems that should be included due to the negative impact of DTEs/CTMs on access or functionality?</p> <p><i>Analytical Scope:</i></p> <p>! Which decision points and questions regarding ● DTEs/CTMs should be added to the analytical framework, considering both risk and opportunity?</p>	<p>T: Adapted MSMA DAT1</p> <p>O: Adapted “Go/No-Go” Checklist</p> <p>O: Analytical Framework reflecting DTE/CTM</p>

3.3 Step 2: Data Collection and Information Needs

<p>Purpose</p> <p>Collect and process additional data to understand the impact of DTEs and CTM on market access and functionality.</p>		
<p>Key Questions</p> <ol style="list-style-type: none"> 1. What information do you already have to help you understand the DTEs influence on the markets? 2. What information do you already have on the impact of CTMs and what additional information do you need to gather during your assessment? 3. Do you need to adapt your standard data collection methodology to address the CTM information needs? Or accommodate restrictions in your area? 		
Sub-Steps	Specific Considerations or Actions	Tools, Sources or Outputs
<p>2.1 Determine information needs</p>	<p>With reference to your analytical framework identify key CTM and DTE information needs, for example:</p> <ul style="list-style-type: none"> • The extent, presence, and activity levels of DTEs throughout the market systems assessed. • The impact on individuals' use, access and market activity. • The nature and impact of CTM on the market systems - either on key actors or restrictions on specific market activities and materials. • The impact of CTM on supporting functions (interconnected markets). <p>Confirm which of these information needs can be addressed through secondary data sources.</p> <p>Document remaining CTM and DTE information gaps to fill through primary data collection.</p>	<p>S: Secondary data on domestic CTM measures</p> <p>T: Proposed additional questions for each type of market actor.</p> <p>T: Additional emphasis or questions to community/FGDs</p> <p>S: NRC Touchpoint Analysis (particularly where DTEs have taken on governance roles)</p>
<p>2.2 Set data collection plans</p>	<p>Plan to mainstream CTM and DTE considerations in your existing data collection methods.</p> <p>Consider where you need to adapt or expand your data collection methodology.</p> <p>Consult legal, security and access teams on your data collection plans.</p> <p> Include information on interconnected markets and functions in data collection planning</p>	<p>T: Proposed additional questions for each type of market actor.</p>

3.4 Step 3: Using Market Information

<p>Purpose</p> <p>Analyse information to establish a good enough understanding of the impact DTEs and CTMs have on the market to inform fundamental MBP design decisions.</p>		
<p>Key Questions</p> <ol style="list-style-type: none"> 1. Do the DTEs and CTMs impact market access or function? 2. Are DTEs playing an active role within different market functions? Who are the key players within the system? 3. Do DTEs and CTMs in integrated markets or supporting functions impact your primary markets? 		
Steps	Specific Considerations or Actions	Tools, Sources or Outputs
<p>3.1 Analysis for market use</p> <p><i>NB - even where your scope is primarily focused on simple goods and services where markets are functioning, you may want to consider expanding to include supply chain or systems analysis when CTM and DTEs are an influencing factor.</i></p>	<p>Do the identified CTM and DTE influence or restrict access to the markets or the movement of goods?</p> <p>Do the identified CTMs impact the availability of core goods and services?</p> <p>How do the DTEs or CTM impact the markets' ability to respond to expected demand? Including how they impact barriers to increasing supply.</p> <p>! Are there DTEs in the market chain who would limit or change your future program design?</p>	<p>O: Basic Market mapping with DTE and CTM impacts overlaid</p> <p>O: Summary from KII on access, market activity, and market integration.</p>
<p>3.2 Analysis for market support and change</p> <p><i>NB - market support or change programs are typically informed by holistic market system analysis. As such, it is not possible to extend the scope in light of the presence of DTE/CTM in this sense, only ensure that systems analysis specifically considers DTE/CTM.</i></p>	<p>Analyse specific CTM that influence the market system? Which have the greatest effect and how do they change behaviour?</p> <p>Identify and document rules or regulations imposed by DTEs and their direct market activity</p> <p>Further analyse the specific impact of DTEs and CTM on interconnected markets - support service and infrastructure</p> <ul style="list-style-type: none"> • Explore the role of DTEs within these support functions and interconnected markets. 	<p>O: Added detail on market mapping to include specifics about barriers to market function</p> <p>S: NRC Touchpoint Analysis (particularly where DEs have taken on governance roles)</p>

3.5 Cross-Cutting Step: Risk & Opportunity Management

<p>Purpose</p> <p>Consolidate, analyse and mitigate risks and maximise opportunities related to MBP in CT contexts.</p>		
<p>Key Questions</p> <ol style="list-style-type: none"> 1. What are the risks of adopting MBP in CT contexts and how can they be mitigated? 2. What are the opportunities of adopting MBP in CT contexts and how can they be maximised? 		
Sub-Step	Specific CTL Considerations or Actions	Tools, Sources or Outputs
<p>4.1 Assess the influence of DTE/CTM on MBP</p>	<p><i>Programmatic (Direct):</i></p> <p>How might the influence of DTE/CTM on market access and functionality inhibit the effectiveness of MBP?</p> <p><i>Operational (Indirect):</i></p> <p>How might DTE/CTM hamper effective implementation from an operational perspective?</p>	<p>T: Risk analysis includes DTE/CTM (MSMA - DAT5)</p> <p>T: Go/No-Go Checklist (General, MBP-specific)</p> <p>O: Recommendations for Program Design, Implementation & Monitoring</p>
<p>4.2 Assess risks and opportunities due to the adoption of MBP</p>	<p><i>Risks:</i></p> <p>Consider what is specific to MBP and what this means in terms of unique or exacerbated DTE/CTM risks and related mitigation measures.</p> <p>To the extent possible at the analysis stage, assess risks that are contingent on the type(s) of MBP (i.e. use, support, change) and take appropriate mitigative action.</p> <p><i>Opportunities:</i></p> <p>Consider how specific design options influence risks and prioritise those with lower risk, e.g. shift towards facilitative approaches.</p> <p>Design programs that actively counter or mitigate negative effects of DTE/CTM on market access and functionality.</p>	<p>T: Risk analysis includes DTE/CTM (MSMA - DAT5)</p> <p>T: Go/No-Go Checklist (General, MBP-specific)</p> <p>O: Recommendations for Program Design, Implementation & Monitoring</p>

4. Detailed Guidance

4.1 Step 1: Setting the Scope

This section focuses on setting the scope for a market analysis in CT contexts. The objective is to **determine whether the presence of DTEs and adoption of CTMs in your context influences three key scoping decisions (geographic, market system and analytical).**

These may ultimately remain unchanged, but it is still **important to account for the additional complexities** in your context at this stage. The information gathered in doing so will also be useful for subsequent steps.

As you learn more about the influence of DTEs and CTMs on your critical markets, you may want to **revisit your initial scoping decisions.**

Sub-Step 1.1. Review Existing Information

Scoping for a **standard market analysis** requires collecting and analysing sufficient, appropriate information to inform key scoping decisions (refer to Sub-Step 1.2. for further detail). Such information would typically include context, needs and market-related information derived either from existing external sources, such as relevant cluster reports, or internal sources, such as agency-specific risk assessments or situational analyses.

In CT contexts, additional considerations or actions at scoping stage would be:

1. Identify, to the extent possible, **individuals and entities** that are subject to a terrorist designation or counterterrorism sanction(s).
 - It is likely that most of this information has already been collected, either for a previous programme, a specific risk or legal analysis, a country strategy or more generally.
 - If pre-existing information is insufficient make scoping decisions, you may want to consider checking terrorist designation or CT sanctions listings. Your legal teams should be able to help with this.
2. **Check with legal and donor compliance colleagues** to understand any specific requirements that apply to your context, being sure to consider the full range of CTM sources (refer to Section 2.1 above).
 - This could include agency colleagues at country, regional and/or global level, or external experts (if needed).
 - In this vein, it is unrealistic to expect programme staff to have full knowledge, let alone ability to accurately interpret, often complex and highly interpretable legislation and donor compliance requirements.

3. **Collect and analyse other information needed** to inform scoping decisions.

This might include:

- information about the overall nature and extent of identified DTE's presence;
- which territory is under their de facto authority;
- community perceptions of DTEs;
- the broad effects of CTMs on society and, more specifically, humanitarian need;
- the influence of DTEs and CTMs on critical market systems.

Most of this information may already have been included as part of your standard market analysis. However, staff may also be required to **consult additional sources** to obtain more nuanced information on DTEs and CTMs. These might include:

- reviewing contextual analyses with a specific focus on DTEs and CTMs;
- consulting legal, donor compliance and other colleagues to leverage their expertise on the matter.

4. **Document key information gaps** with respect to DTEs and CTMs to inform your information needs and data collection in step 2.



*Remember, at this stage, you are simply trying to gather information to make “good enough” scoping decisions, rather than undertake a fully-fledged market analysis, and you likely will neither have nor need exhaustive information on DTEs and applicable CTMs. For example, although designated terrorist groups may be relatively straightforward to identify, it may not be realistic to identify all group members or designated individuals, let alone their territorial control or influence on the market. It also may not be clear which measures adopted by local authorities are indeed CTMs, as opposed to standard security measures. Aim to gather **sufficient, appropriate information to make informed scoping decisions**, whilst recognising that there will always be some uncertainty.*

Sub-Step 1.2. Define the Scope

Defining the scope of a market analysis typically focuses on three key aspects, **geographic, market system and analytical scope**. In CT contexts, you should consider how the presence of DTEs and CTMs changes or informs this decision-making.

Geographic Scope

Geographic scoping typically involves selecting to following, each with its own added considerations in CT contexts:

1. The specific location(s) in which data collection will be conducted.
 - The DTEs and CTMs could require **access negotiations** for planned locations or, in extreme cases, **prevent access** altogether. It may still be feasible to include such inaccessible locations within the geographic

scope by adopting a remote management approach (refer to related guidance under [NRC's Remote Cash Project](#)), but it may also mean shifting to other more accessible locations.

2. The geographic area(s) that the analysis will cover.
 - The areas analysed may need to change, for example **extending from smaller local to larger regional marketplaces** to fully assess risk or gauge the effects of DTE presence or CTM adoption on market systems.

Market System Scope

Market system scoping involves selecting the specific markets your analysis will focus on. You will likely be using pre-agreed criteria, including the level of criticality for people of concern, to make these decisions.

In CT contexts, it may be necessary to include the nature and extent of the influence of DTEs and CTMs on market access and functionality as an **additional selection criteria**. This can work both ways, namely:

- you may want to **avoid certain market systems** that are subject to excessive influence given the associated risks; or
- instead, you might **prioritise such market systems** if the intention is to support markets by mitigating the negative effects of DTEs and CTMs.


In addition, the market system scope may need to extend to include certain **interconnected markets**, likely key input or service markets upon which the principal market relies. Examined further in Steps 2 and 3, this can be an important step in both determining the influence of DTEs and CTMs on principal market systems and assessing the risk of implementing MBP, not least support and change initiatives.

Analytical Scope

Analytical scoping involves determining the key decision points and related questions to be included in the overall analytical framework for your market analysis, to be used as the basis for subsequent MBP response analysis and programme design.

In CT contexts, you may specifically want to consider:

- **The main risks associated with implementing MBP** in your area and how they can be mitigated, through design or otherwise (see Sub-Step 4.1).
- Whether there are **opportunities to support or change the market system(s)** to mitigate the negative effects of DTEs/CTM on access and functionality (see Sub-Step 4.2).

 *Remember, the **three key dimensions** of scoping, namely geographic, market system and analytical, are of course **heavily interdependent** and, as such, usually determined concurrently. Put simply, the selection of a given market system will likely influence geographic scope and your analytical scope will likely influence the decision as to which system(s) is prioritised. Of vital importance at this stage is to document the key scoping decisions and the existing information used and analysis done in making them, not least in **instances where PHA has been infringed upon** in the*

scoping process. If so, it may be pertinent to engage policy and advocacy counterparts, or equivalent in your organisation, to initiate related advocacy messaging.

Step 1 Procedural Risks

Key procedural risks to be managed during Step 1 might include, but are not necessarily limited to (see Table 2 for further detail on procedural risks):

- unintentionally contravening pre-existing discussions and decisions related to DTEs or CTMs by senior management, either in deciding to proceed with the market analysis or in making key scoping decisions;
- failing to identify or a lack of readily available information on DTEs or CTMs and, as such, key scoping decisions having to be based on partial information and related uncertainty;
- potential negative perceptions on the part of local communities in case of engagement with DTEs to negotiate access for subsequent data collection.

4.2 Step 2: Data Collection and Information Needs

This step focuses on gathering the information you need. The objective is to **gather sufficient information to address your analytical questions and meet your market analysis objectives.**

During this step you will review the information on DTEs and CTM needed to complement your general market data and plan how to integrate or layer the collection of that information to your assessment exercise.

Sub-Step 2.1 Determine CTM information needs

Take the residual information gaps identified during sub-step 1.1 and begin to map the processes for filling those gaps.


Don't Panic ...

- You don't need to have exhaustive or comprehensive answers to all the questions presented below. Some may not apply to your location or critical markets. And some may be beyond what you need for your objectives. These are intended as suggestions to help you think through how and in what ways DTEs and CTMs might impact your analysis.
- Many of the information points suggested below you will already know from ongoing operations or would be collecting as a part of your standard market analysis. They are included here to flag that you may want to consider the CT lens as you gather and use the data points.

This step should be guided by your analytical framework, but will need to ensure you have planned for and collected data that speaks to the following broad issues.

1. The extent, presence, and activity levels of DTEs throughout the market systems assessed.
 - Consider if you are in an area where a DTE acts as a local authority and imposes some form of governance structure, or rules.
 - Do they collect taxes or fees to operate or move goods?
 - Do they play an active role in the production or sale of specific items in your market system?
 - In the absence of this type of governance-like activities:
 - Does the DTE's membership draw heavily from the local population and do they have extensive acceptance such that there is likely to be close ties between market actors and the group themselves?
 - If so, consider how you will either anticipate membership and discuss redlines with your legal and security teams.
 - Consider the extent to which you will need or want to map specific affiliations and how you might safely do so.
2. The impact of DTE presence and CTM on individuals' ability to safely use, access, and engage in market activity.


- Does the DTE presence limit people’s ability to safely access marketplaces either through their own actions (eg Bokko Haram and destruction of marketplaces in NE Nigeria), policies or treatment of certain groups (eg Taliban restrictions on women) or a CT response that imposes security restrictions and checkpoints which limit movement?
 - Are there specific groups (eg women, minorities, young men) who will be targeted or are subject to specific rules imposed by the DTEs or CTM?
 - Are there limits on the movement of goods – either timing (curfews) or type of product that will impact the market chain and supply you are analysing?
3. The nature and impact of CTM on the market systems - either on key actors or restrictions on specific market activities and materials.
- Does CTM have the effect of suppressing livelihood and economic activity at both a local or individual level as well as on a broader scale?
 - For example, CTMs in the name of security in Northern Nigeria have been used to restrict the use and sale of fertiliser, and imposed curfew restrictions that significantly limit small producers access to their fields.
 - Has infrastructure (eg roads, telecoms, marketplaces) or key services (banks, hospitals, schools) been targeted either to curb DTE activity as a CTM or by the DTEs themselves as a tool of conflict?

 *CTMs may be measures taken specifically to limit the reach, influence and operations of DTEs. They may be security measures (and called such) that have an underlying CT purpose or they may be measures that are expressly named as CT but are in reality a way to exert political control. Whatever form they come in, the **impact** of these measures on focus markets is the primary concern.*

4. The impact of CTM on supporting functions (interconnected markets).
- Do you know what financial services are available both for your potential programming and for people in your market system to use?
 - Are there CTMs that will impact the availability of financial services?
 - This may be particularly relevant for your operations and ability to move funds in the area (ability to distribute cash or pay vendors). Access to credit and financial services is also often a significant factor in a market’s ability to function well and respond to increased demand.
 - How does transport appear to be functioning within the systems?
 - Are there regulations, or monopolies that may be an issue?

Sub-Step 2.2 Set Data Collection Plans

At this stage you may feel comfortable that your standard market assessment plans are sufficient to cover the additional CT information you need. If not, you may need to consider adapting or complimenting your planned data collection.

 **Risk related:** Your team should always consult their security, access, and logistics teams for support with sensitive data collection like this. This framework, identifies key questions – and information to look for. If it is unsafe to ask directly, consult additional secondary sources on the region. Or consider exploring with local team members more subtle ways to gather information.

Secondary Data Sources

As flagged in Step 1, much of the information regarding the general presence, DTE activity, and the application of CTMs may be available through secondary sources and may already be known to country or regional team members.

- Start with your access, legal, and policy teams will likely be your first port of call to understand the extent and depth of any analysis they have already conducted on the context. They may have resources like the touchpoint analysis and detailed RAMP, country or regional strategies that have mapped DTE presence and influence.
- Consider external secondary sources available on the area. These could be found through clusters, security working groups, access working groups, INGO forums, or broader conflict and governance research available on your context.
- National and sub-national governments also often issue circulars or statements about restrictions and laws in effect. Country analysis and operations teams will likely be aware of many, specifically rules that directly impact operating space (ie curfews, movement restrictions etc). Often these will be published online. Directives that specifically relate to humanitarian actors, will likely be shared through relevant government coordination bodies and ministries. Restrictions that are more broadly focused on economic activity and movement, may need to be identified through key informant interviews, trade unions, etc.


Your market analysis will need to take this information a step farther to understand the impact specifically on market functionality and access. The secondary information gathered will likely need to be complemented with some degree of primary data collection and should be added to your questionnaires.

Primary Data Collection

While planning for primary data collection, there may be several additional considerations to:

1. ensure you have collected sufficient information on the impact of DTEs and CTMs; and
2. accommodated the additional operational concerns.

Much of the additional information to be collected at this stage, will be drawn from additional prodding questions or reflection from your standard interviews. It may also call for additional questions or key informants.

 **Risk related:** In highly sensitive areas, you should consult with legal and access teams before conducting the primary data collection. Specifically you may want

to ensure it is safe for your teams to be asking questions, and that the proposed questions are acceptable.

Having largely identified who is present in the area and what CTMs are applicable, you will likely need to now gather information on how the markets and individuals within them are impacted.

Questionnaire Design

Ensure you have accounted for additional or remaining information needs in your **questionnaire design**. The specific questions you ask will depend on your target markets and mapped information needs. As with the bulk of your market assessment they will typically seek to understand how individuals behave within the system, and their experience of the CTMs and DTE activity.

- The impact of CTM on people's market activities.
 - What rules or regulations do you find restrict your activities? Are there movement restrictions? Restrictions on the sale or use of key inputs?
 - How have you adapted your activities to accommodate the rules?
- Impact of DTE presence on market activities.
 - Are you required to pay fees to operate here? If so, is it to the government or to DTE group? (If safe to ask.)
 - Are there additional barriers to access the markets safely?
- Who is active in the market chain.
 - Are there individuals working in the market who you know to be affiliated with the DTE?
 - Are there indications the DTE is drawing income from activities within with the market chain?

While planning your data collection you may also need to consider **expanding the list of key informants you approach**. Asking about the specific activities of individuals who are affiliated with DEs or may be designated as an individual and not just a group can pose a risk and should be done very carefully. It may be that you ask these types of questions of trusted individuals only.

Adapt or expand your data collection methodology.

- In some contexts, local authorities or armed groups with effective control are highly suspicious of assessments and interviews and data collection. You may need to also **consider how the use of technology to support data collection – specifically digital data collection tools – will be viewed** by both local authorities and interviewees.
- Does the DTE presence or do CTM restrictions require you to **consider remote data collection**? Is it safe for your teams to conduct the assessment in the area, or will simply asking questions pose a risk? One assessment team in Somalia talked about shifting away from conducting primary data collection in the heart of the DTE's territory and instead sought key informants based just outside the area or who had recently left.

- Do you need to **adjust how you identify interviewees** and account for risks posed by asking sensitive questions of individuals?
- **Additional interviews or FGDs with the target population** to ensure you understand the nuances and impact on access and security. Although this will likely have been a part of your standard market analysis, in CT contexts security and access will likely take on added importance.

Supporting Functions

In contexts with significant CTM concerns, some of the **supporting functions (interconnected markets) will take on additional levels of importance**. In a standard market analysis you may identify details about these markets in so far as they impact your program operations or immediate concerns. However, in CT contexts you will likely need to understand key players within these markets and have a more nuanced understanding of the CTM impact. Therefore, it will be important that you incorporate plans to collect data on these markets from the outset. The most important supporting functions to study may vary depending on your selected primary markets, but it is anticipated that **financial** and **transport** markets are most likely to be a concern.

- **Sanctions and CTMs often target financial flows** in and out of areas, who controls money, how it is moved. This may impact both how you teams operate (who you can work with) and how money is moved through the markets you are analysing.
- Transport is another area that may be both directly impacted by CTM or be co-opted by DTEs and their affiliates. **The movement of goods presents many opportunities to illicit fees, taxes etc.** It also is an area that runs up against security measures, and potentially becomes the link between local production and sale and international movement of goods.

Step 2 Procedural Risks

Key procedural risks to be managed during Step 2 might include, but are not necessarily limited to (see Table 2 for further detail on procedural risks):

- asking questions or reaching out to individuals that increase the risk profile of the overall operation for teams; and
- failing to gather sufficient information or identify key informants to provide enough information for a reasonable confidence level.

Market Mapping

At this stage, your standard market analysis process will likely turn to developing market maps along with your analysis. Consider layering the CTM and DTE elements into your mapping.

Additional Layering of CTM

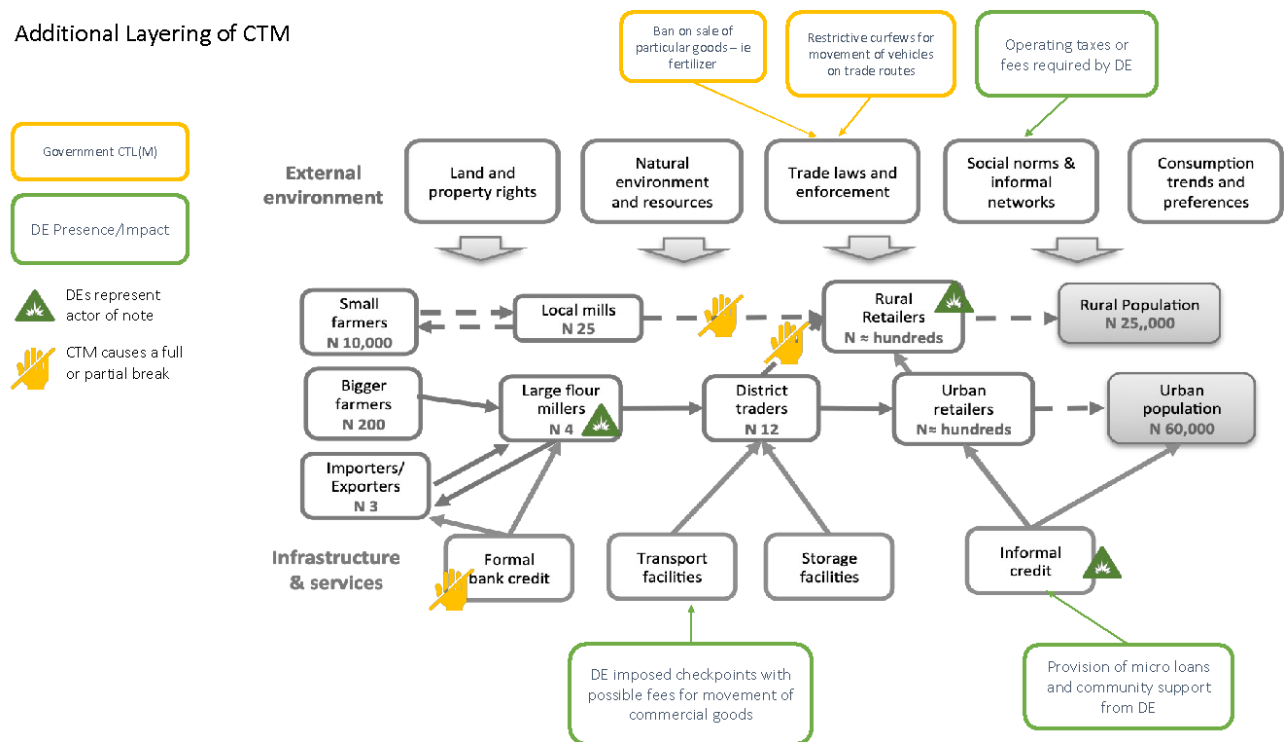


Figure 1: Market Map with CT lens. The base map is drawn from the MSMA Data Analysis Tool 4: Market System Mapping

Market Environment / Key infrastructure and services

CTM: Rather than including CTM as a general rule or norm, consider unpacking the specific restrictions in place and linking them to their impact on market function. This will help identify where the CTMs are specific barriers that could be addressed or need to be planned for during response design.

DE presence/Impact: Include the specific ways in which the DTEs have imposed rules or norms that change or limit behaviour. This may be particularly relevant if the rules involve payments (taxes, fees etc) to the group. When cash is paid to the group or to associated individuals, you will want to understand and document any risks of your activities contributing to those payments. Once identified, discuss with your legal and compliance teams the impact these types of payments may have on your operations.

Market Chain

DTEs as actor of note: Typically your market analysis will identify actors within the chain as groups – traders, producers etc – in this case, you will likely want to know in more detail who sits behind those categories. This may take on additional relevance during response analysis and program setup, but identifying any significant actors that are either designated or have known ties to the DTEs will help inform decisions. As discussed above, this may also be of particular concern in relation to the interconnected transport or financial markets.

CTMs: Note the CTMs that cause full or partial breaks along the market chain.

4.3 Step 3: Using Market Information

The objective of this step is to **utilise the information you have gathered to inform your understanding of the market function, your ability to work in the area, and programmatic adaptations needed.**

Throughout this step, keep in mind that the most notable shift from a standard market analysis is that **CT contexts are likely to require additional detail on certain elements of your market system** - market environment, individuals within the market chain, and key supporting functions.

Sub-Step 3.1 Analysis for market use

If you have decided to specifically focus on market use, to account for DTEs and CTM concerns, you may need to go beyond a standard marketplace assessment (or an NRC Type 1 assessment) – even when the markets appear to be relatively well functioning. To account for CTM and added risk, you will likely need to unpack at least some degree of the broader market systems, actors, and additional rules influencing the area.

Programs that **use markets** typically rely on them to provide aid directly to recipients. In these situations, we tend to use the markets either by providing cash or vouchers so people can purchase goods and services directly, or through local procurement of items for distribution.

CT contexts will require an increased focus on several key areas during your analysis:

- **Security and access** is likely to be particularly aggravated and challenging in CT contexts. Where your market analysis would typically have a basic understanding of how safely people are able to access markets, here you will need a more fulsome and nuanced understanding. You will want to pay attention to whether people have alternatives to their normal market behaviour – can they shift where and who they shop with? If one source of inputs shuts down, do they have other options?
 - In Step 2, we suggested potentially adapting to include additional FGDs to further explore people’s access. At this stage, that information should inform a more comprehensive mapping.
- Understanding who the individuals are behind key business or functions within the market system will be important to identify potential actors you need to avoid working with and if there are appropriate partners available. Therefore, **competition mapping** will be an important part of your analysis.
- When considering local procurement, or even voucher schemes you will need to have a more detailed **understanding of the full market chain**. In a CT environment knowing that supply is available and responsive to demand increases will likely be insufficient. As noted with the mapping above, unpacking who sits behind various functions in the market chain will ensure you are able to anticipate and mitigate potential risks.
 - You may ultimately need to vet key actors, and any vendors involved in the program. Mapping as much of this up front as possible, will help smooth that process.

Sub-Step 3.2 Analysis for market support and change


To design programs that support or change the market, your analysis will need to identify the specific barriers that are impacting market function, and opportunities to address them. A CTM context will require additional attention to regulatory barriers (the rules and norms that influence market function), how people have adapted to them, and how CT considerations may limit your engagement options. To do this, certain elements of your analysis will require extra detail than a standard one.

Market support or change programs typically work with market actors to restore or build a sufficient and reliable supply of goods and services while ensuring communities can access what they need. These programs often work directly with local traders, producers, transporters within the market. They can include grants to small traders, subsidies, or technical capacity support to help ensure there is sufficient quality and quantity of goods and services available. Working with such a varied group of actors, necessarily requires more information on the full market system than simply using the markets.

Specific CTM and their impacts on the market function

Rather than grouping CTMs as part of the rules and norms in the market environment, it will be important to understand specific measures in place, and what parts of the market they impact or what limitations they may pose for future program design.

- **International sanctions** could limit the ability to access import and export markets, or place significant restrictions on financial transactions. This could cause supply shortages of either consumption goods or needed inputs for local production. It could also limit access to hard currency, access to credit for traders, or cause significant inflation.
- **Domestic CTM** could be applied nationally, regionally, or hyper-locally. They may include curfews, restrictions on marketplace access, transportation restrictions or restrictions on the sale and use of specific items. In order to support markets, you will want to understand how specific CTMs impact market access, function or broader behaviour (ie what will happen to this market if curfews are imposed?). This will help you identify opportunities to mitigate where their impact is negative.
 - For example, CTMs could include a ban on the sale of fertiliser as a potential explosive, or curfews that reduce productive time in agriculture fields.


 *Remember, unless conducting this analysis in an entirely new area, you or your country teams will likely already be aware of most of these restrictions and in this analysis are exploring how they impact markets specifically.*

These types of barriers might cause either a break in the market system, thus reducing supply or have prompted a shift in behaviour to accommodate the barrier (for example, a change in consumer preference for a domestic or lower quality item).

DTE Activity - who are the key players in your market

Analysing and accounting for specific DTE activity may differ depending on the nature of DTE activity, and level of control they exert in your context.

1. Where a DTE has taken on a **quasi-governmental or authoritative role** you will need to account for the rules and norms they impose, as well as any potential fees collected or other regulatory type requirements they place on local actors and the general population.
 - **Fees, taxes or other financial transactions** that regularly occur between market actors and the DE should be identified and mapped to the extent possible. This will help you anticipate where you may need to adapt potential program activities to avoid indirectly contributing to these payments.
 - **Rules around movement and daily activities** may impact access for particular groups. This could take the form of restrictions on women's or minorities movements in the marketplace, or might limit who is allowed to engage in particular types of market activities.

 *The information collected from the general community (rather than market actors alone) will be key to understanding how potential target groups experience and adapt their economic activity to the DTEs presence.*

2. Where the **DTEs do not have an authoritative role, but are closely linked to the local population, and individuals within the market are likely to be affiliated** or supportive of the DTE's mission and activities, you will need to emphasise actor and relationship mapping within your market.
 - Information on **DTE affiliation at an individual actor level** may be sensitive, or difficult to gather and should be carefully considered and updated as new details become available. Teams should work closely with legal and security colleagues as they develop this type of individual actor mapping to ensure they don't expose the programs to any additional risk.
 - Any terrorism vetting of partners or suppliers would typically happen once a program is designed, and specific partners identified. However, when operating in a context with a large DTE presence, knowing who plays which roles within the market takes on added importance. To the extent possible, **identifying key actors and conducting basic vetting on the largest or most integral players in your system should be considered**. This will be particularly important where there are signs of a monopoly or cartel like behaviour (ie it's not a competitive market).
 - For example, if you are working in a very thin market, with only one major transport company, you may want to consider taking steps to confirm the individuals involved are not known affiliates of the DTE.

- Consider and document whether there are alternative options within the market system, should affiliations with the DTE become apparent during implementation.
 - NB: If a market is entirely dominated by individuals who are closely linked to the DTE, a support or change program will likely not be an option.

Supporting functions and Interconnected markets

Step 2.1 touched on the need to include analysis of key supporting functions and interconnected markets in CT contexts. As with any standard market analysis, understanding the supporting markets will provide information on barriers to market function and opportunities to intervene. Supporting functions, in particular transport and financial services, are markets where CTM are likely to bite (Financial services: regulations on financing, movement of money etc. and Transport: access to fuel, movement restrictions, security fees).

Depending on your context and focus markets, you may want to prioritise other interconnected markets or supporting functions. The intention here is to highlight the need to pay greater attention to the DTE activity and CTM within these markets than you otherwise might.

Financial service markets are likely to take on additional importance in these contexts as CTMs and sanctions often restrict financial activity. They can limit humanitarian options for moving cash and paying partners, but similarly can impact access to credit within the market. When analysing for support and change MBP, your considerations here will likely go beyond the impact on financial services for your organisation's use, to consider the impact on local actor's ability to access credit, save, or make international payments.

Specifically, you might want to explore whether:

- The main financial services providers in the area include key individuals, or banks with international designations or who are subject to sanctions.
- International financial institutions refuse to operate or have added significant criteria and limitations to their systems in the country. For example, added heavily restrictive KYC, limiting availability of certain products etc.

Transport markets often provide an integral supporting function and can be impacted by CTMs stemming from both international, and global policies as well as hyper-local ones. Considerations here will likely include both implications for your own operations (movement within the area for both people and goods) as well as how the CTMs and DTE activity impacts market actors and individuals' ability to move goods, and access markets.

Specifically, you might want to explore:

- How the availability of transport has changed. Are there curfews or mandatory military/UN escorts in place that impact movement? Can smaller producers or traders afford to move goods? Reach their warehouses? Is there a monopoly on transport services?

- How the prices and availability of goods and services in the transport market have changed. Are there limitations on access to fuel in the area? Are certain types of vehicles restricted?
- Are there checkpoints or security measures that transporters need to comply with? Will these costs be passed on to the organisation in any way?

Step 3 Procedural Risks


Key procedural risks to be managed during Step 3 might include, but are not necessarily limited to (see Table 2 for further detail on procedural risks):

- Mapping considers only actor categories, and does not account for specific entities/individuals within the categories (e.g. not all wholesalers may be designated).
- The process assumes that DTE/CTM implications are static, not variable over space/time – you may need to revisit your analysis over time.
- It may not be feasible to identify all DTEs/CTMs or individual actors.

4.4 Cross-Cutting Step: Risk & Opportunity Management

Risk and opportunity management is a key component of any market analysis, involving the consolidation, analysis and mitigation of risks and maximisation of opportunities. In CT contexts, it is especially relevant to:

1. Ensure that **risk and opportunity management cuts across your entire market analysis process.**
 - Before starting Step 1, identify pre-existing risk analyses that already incorporate considerations of DTEs and CTMs, perhaps at organisational or programmatic level.
 - Document in a centralised register and (re)analyse at each respective step any identified risks and opportunities in respect of DTE/CTM.
2. Undertake risk and opportunity management with a **diverse team.**
 - Both horizontally (including colleagues with diverse expertise from different departments) and vertically (including senior decision-makers where relevant).
 - When DTE/CTM is a specific area of focus in the analysis, include legal, access, safety, advocacy teams, as well as relevant senior management as and when their input or approval is required, in line with organisational protocol.
3. Adopt a **holistic approach** for both risk type and risk-bearer.
 - For the **risk type** consider using NRC's Toolkit for PHA risk categories, namely i) criminal; ii) security; iii) contractual; and iv) humanitarian principles, when identifying programmatic and operational risks related to DTEs or CTMs. This list is not exhaustive but provides a useful basis for identifying and categorising a variety of risks.
 - For the **risk-bearer**, in addition to the implementing agency and its staff, risks posed to various stakeholders should be considered, not least people with whom we work. In this respect it is important to both mainstream protection and disaggregate risks for particular groups, given the likely disproportionate risks DTEs/CTMs pose to certain groups.
4. Where feasible and relevant, include DTE/CTM risks as a **specific area of focus** within broader risk and opportunity management process.
 - If not feasible or relevant, consider conducting a standalone DTE/CTM-related risk analysis. This involves focusing on risks and opportunities for which DTEs/CTMs are a root cause or key exacerbating factor, ensuring a clear distinction from those related to the general presence of high-risk groups, such as non-state armed groups (NSAGs).

 *Remember, is it important to consider trends and likely future scenarios with respect to DTE/CTM-related risks, not least in volatile contexts. This is in addition to monitoring prioritised risks throughout analysis and eventual implementation. Volatile contexts are characterised not only by inherent uncertainty,*

but also residual or unmanageable risk, necessitating consideration of do no harm, program criticality and institutional risk appetite in deciding whether or not to proceed.

Sub-Step 1 Influence of DTEs/CTMs on MBP


Managing risk and opportunity in respect of DTE/CTM can be divided into two main sub-steps, the first being identifying and analysing **risks that DTEs/CTMs negatively influence MBPs** from the following key perspectives:

1. **Programmatic (Direct):** it may be the case that DTEs/CTMs directly inhibit the achievement of program objectives.
 - This risk derives from the fact that DTE/CTM often negatively affect market system access and functionality, as assessed in detail in Step 3. We are interested here, though, in the extent to which this effect might inhibit or altogether undermine the achievement of MBP's intended objectives.
2. **Operational (Indirect):** it is also vital to assess the risk that DTE/CTM hinder day-to-day operations of the implementing agency and its staff.
 - CTM may include strict movement restrictions, limits on the number of people that can convene in a single location or prohibition of certain electronic equipment for the purposes of data collection. Though not unique to MBP, such risks may be particularly acute given the nature of MBP and associated operational processes, not least given the importance of unfettered access to relevant markets, regularly convening stakeholders and data collection needs.

Sub-Step 2 MBP-Related Risks & Opportunities

The second sub-step relates to **risks and opportunities arising specifically from the adoption of MBP**, either in spite or because of its intended objective(s), programming type and/or applied approach. In a general sense and recognising that there is a vast array of possible options with respect to MBP, they typically have certain **common features that are relevant when considering DTE/CTM risks**. For example:

1. They tend to entail engagement, even formal partnership, with a **broad array of different market actors or stakeholders**, thus potentially increasing DTE/CTM-related risk exposure.
2. They are also **systemic by default** and, as such, require awareness of the key actors and factors that materially influence market system, potentially including actors that are subject to a terrorist designation or requiring CTM itself to be included as an influencing factor.
3. Lastly, although typically implemented for the benefit of crisis affected individuals or households, MBPs often (even intentionally) have **indirect or multiplier benefits for a broad range of actors** which, again, may include DTEs.

 *Remember to avoid assuming that MBP is inherently more risky than other forms of program. This is not only because other programming approaches often pose the similar or other risks around DTE/CTM, but also because i)*

MBP risks can be mitigated through standalone action, e.g. vetting potential partners; and ii) there is an opportunity to mitigate risk through MBP design decisions, e.g. adopting a more facilitative approach to avoid direct association with DTEs.

Such general or common risks may be exacerbated, or new risks posed, **depending on specific aspects of MBP.**

- **Risk linked to the intended objective**, not least if this is to counter the negative effects of DTE or CTM on market access or functionality.
 - For example, a MBP includes support to certain market actors in order to explicitly alleviate effects of local CTMs, such as curfews or travel restrictions, this may be interpreted negatively by local authorities and pose access-related or other risks at programmatic or even organisational level.
- Risks that stem from the **type(s) of MBP being planned or approaches adopted.**
 - For example, certain risks will depend on whether the intent is to use, support or change the market system (see the table below for examples of type-specific risk and related mitigation measures), whereas others will depend on whether a direct, indirect or facilitative approach is being adopted.



Remember to avoid assuming that any particular MBP objective, type or approach is inherently riskier than another with regards DTE/CTM. Furthermore, the nature and extent of risks and the optimal means to mitigate them will depend on the specific context and market system, hence the necessity to analyse and mitigate DTE/CTM-related risks in a bespoke manner, rather than prematurely halting or irresponsibly proceeding with MBP.

MBP can also offer an **opportunity to directly address DTE/CTM-related root causes** of reduced market access or functionality. In this sense, one can elevate the elimination of such risks to the level of programmatic output, e.g. in order to facilitate the feasibility and effectiveness of a CVA program, or even programmatic outcome, e.g. to redress such root causes for the benefit of market systems and the crisis affected people that rely upon them.

Cross-Cutting Step Procedural Risks

Key procedural risks to be managed during this cross-cutting step might include, but are not necessarily limited to (see Table 2 for further detail on procedural risks):

- failure to identify and appropriately manage risks and opportunities, not least in rapidly evolving DTE/CTM situations;
- focusing unduly on legal risks, rather than the myriad other risks that adopting MBP in DTE/CTM contexts might pose; and
- focusing unduly on risks to organisation and staff, not the full range of relevant stakeholders, including people with whom we work.

Table 2: Example Risks and Mitigation Measure by MBP Type

MBP Type	Risk Examples	Potential Mitigation
Market Use	<p>Inadvertent Financing of DTEs: Resources transferred to affected communities, in the form of in-kind or CVA, end up in the hands of DTEs and are, thus, diverted or siphoned off to support illicit activities, including terrorism.</p> <p>Regulatory Compliance and Legal Risks: Failure to comply with stringent CT regulations and laws when using markets, which can vary significantly from one context to another, leading to legal actions, asset freezes or other penalties that can severely disrupt aid operations.</p> <p>CTMs Inhibit CVA Feasibility: CTMs hinder capacity of supply chains to such an extent that they are rendered incapable of responding to increased demand stimulated by a distribution of CVA.</p> <p>Stigmatization and Community Backlash: Crisis-affected communities may face stigmatization or backlash if they are perceived as recipients of aid associated with CT concerns. This can undermine the trust between humanitarian agencies and the communities they serve, making it more challenging to provide assistance effectively.</p>	<p>Robust beneficiary verification processes to ensure that assistance reaches genuine crisis-affected individuals; and engage with suitably vetted Financial Service Providers (FSPs) to enhance the traceability of funds.</p> <p>Seek the counsel of legal experts well-versed in applicable CTL to ensure compliance; train and regularly update staff on compliance and regulatory requirements; and engage relevant local authorities to seek clarification and guidance on domestic legislation.</p> <p>Engage in advocacy efforts to raise awareness about principled humanitarian action and the importance of protecting humanitarian workers from unfounded accusations.</p> <p>Understand community perceptions of DTEs and CTMs and prioritize community engagement and accountability mechanisms through the analysis and eventual implementation of market use programs; and develop effective communication and public relations strategies to counter negative perceptions and misinformation.</p>
Market Support & Change	<p>DTEs Indirectly Benefitting: market support or change programs result in indirect financial or other benefits to DTEs that are either directly engaged in the supply chain or have a material influence the market system from either the environment, rules and norms or the support services and infrastructure perspective.</p> <p>CTMs Inhibit MBP Effectiveness: efforts to improve access or stimulate supply through market support interventions may be undermined by CTM measures that inhibit physical market access by potential customers or traders.</p> <p>Access Constraints: CTMs may lead to increased restrictions on humanitarian access, making it difficult for aid organizations to reach key marketplaces, engage with market stakeholders and collect requisite market data for market support of change programmes.</p> <p>Local Authority Disapproval: Efforts to counter the negative impacts of DTE and CTM on market access and functionality through support or change initiatives are unwelcome on part of local authorities, thus posing reputational or access risks</p>	<p>It may be prudent to simply avoid supporting or changing certain market systems, or certain parts of them, in cases where you've identified that DTEs are materially implicated. It is suggested to seek appropriate legal advice and senior management approval prior to proceeding with market support or change in such instances.</p> <p>Consider designing market support or change programs that actively counter the negative effects of DTEs and CTMs on market access and functionality, either as a component or as a standalone focus of the intervention.</p> <p>Engage in diplomacy and advocacy with relevant authorities, armed groups and other actors to secure unimpeded access to crisis-affected areas and marketplaces; and consider alternative, remote options in case direct access is restricted.</p> <p>Engage with and inform local authorities as to the precise nature and intent of the market support or change program, emphasising that it is first and foremost for the benefit of crisis-affected communities and individuals.</p>

Annex 1: Glossary

Market Systems: systems of exchange between two or more actors. The exchange can be for goods or services or for money and can take place in a physical space or through virtual media such as the internet. When NRC talks about markets, most of the time we refer to complex market systems rather than simple, individual marketplaces.

Marketplaces: where exchanges happen. They are typically physical places where goods and services are sold, but virtual marketplaces are common as well.

Market Based Programming (MBP): programming that puts the principles into action, a form of intervention that works with and through local markets.

Market(place) Analysis and Market System Analysis are the processes and tools we use to understand markets:

- **Market(place) analysis:** an analysis of market information to understand whether and how a specific marketplace functions, or how it has been impacted by an event or crisis. This can be done at different depths depending on program need. It can typically support modality decisions, especially on the use of cash.
- **Market system analysis:** an in-depth form of analysis for a complex market system (this includes value chain analysis, labour market analysis etc.). It aims to understand the relationships and interactions between market actors and their wider governance and policy environment and, in doing so, understand the root causes behind challenges people face within the market system.

Counter Terrorism Measures (CTM): international, regional, national and donor instruments and policies related to counterterrorism.

Designated Terrorist Entities (DTE): A group, organisation or individual that has been listed as terrorist by a government pursuant to its national law or by an international body pursuant to international law.

Counter Terrorism Sanctions: sanctions regimes targeting terrorist groups and organisations and thus contributing to the overall fight against terrorism.

Humanitarian Exemptions: a provision carving out certain humanitarian activities from the scope of application of the general CTM prohibition.

Terrorism: there is no universally agreed definition of terrorism but the UN Security Council (UNSC) provides one in resolution 1566 from 2004, namely “criminal acts, including against civilians, committed with the intent to cause death or serious bodily injury, or taking of hostages, with the purpose to provoke a state of terror in the general public or in a group of persons or particular persons, intimidate a population or compel a government or an international organisation to do or to abstain from doing any act”.

Annex 2: Sample Additional Questions

The table below sets out a sampling of potential questions you may want to include or prod more deeply during KIIs. Specific questions and wording will of course depend on the context and your analysis scope (especially the critical markets), these are intended as a general guide to help get you started.

Many of the questions here, will be familiar as things you would likely ask in a standard market analysis. They are included both because they help unpack the impact of CTMs and as a reminder to consider the CT lens when asking them.

As this framework is used or tested in the field, this annex should be updated with additional questions that were found useful.

Category	Questions
General / Crosscutting	<ul style="list-style-type: none"> • How will you refer to the DTEs in your interviews? <ul style="list-style-type: none"> ○ Is there a local name for the group or individuals? ○ Are there risks associated with asking direct questions about the group or individuals? • Does a significant change in DTE activity impact your reference period? <ul style="list-style-type: none"> ○ Has there been a significant change in DTE activity or presence recently? ○ If using a reference period defined by other factors (ie a natural disaster), has there been a significant change in DTE presence through the period that might impact your interpretation of responses?
Traders	<p>Licensing and general operation requirements</p> <ul style="list-style-type: none"> • Is your business registered or licensed? Do you pay any fees to operate in this market, to whom? <ul style="list-style-type: none"> ○ Are any un-official fees or payments collected in order for you to maintain your business here? • Has that changed [reference period if DTE operations have shifted]? • Are there limitations on your ability to increase business? <ul style="list-style-type: none"> ○ Specifically interested if linked to security, increased taxes etc • Are there any rules or regulations in the area that impact your trade? What are the sources of these rules? Have they changed in the [DTE reference period]? <ul style="list-style-type: none"> ○ Restrictions on certain goods, curfews etc? <p>If Wholesaler bringing goods from other markets</p> <ul style="list-style-type: none"> • Does the movement of goods require any licensing or registration fees with different authorities? • Are there restrictions on who you can trade with?
Transport actors	<ul style="list-style-type: none"> • Has security in the area changed with the presence and activity of DTEs? • Are there fees you are required to pay to move goods in this area, to who? • Are there movement restrictions that impact your business? <ul style="list-style-type: none"> ○ Travelling with govt escorts, limitations on certain vehicles, curfews? • Are you able to access the fuel you need?
Producers	<ul style="list-style-type: none"> • Are you able to access your fields? Are there rules or regulations in place that impact this? • Are you able to access all of the inputs you need? <ul style="list-style-type: none"> ○ Specifically interested in access to input that may have been subject to CTMs or sanctions. ○ If not, did they know of alternative sources?
Community members (market users)	<ul style="list-style-type: none"> • Who sets the rules for your area? The government? Military? DTE? • Are you aware of any DTE presence in the area? <ul style="list-style-type: none"> ○ Does the DTE presence result in specific security constraints? • Are there shops you feel you cannot go to? • Do you feel safe in the market? • Are there rules or restrictions on your access to the market? On anyone else's access? • Are there alternative marketplaces you can access if needed?