

**BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE (DCHA)
OFFICE OF U.S. FOREIGN DISASTER ASSISTANCE (OFDA)**

ECONOMIC RECOVERY AND MARKET SYSTEMS SECTOR UPDATE – JUNE 2010

SECTOR OVERVIEW

Natural disasters and complex emergencies adversely impact local economies. Disasters destroy homes, damage productive assets, and disrupt transportation and market infrastructure—affecting economic activity at the household, community, and regional levels. To help affected communities resume economic activity and rebuild livelihoods following a disaster, USAID/OFDA supports economic recovery and market systems (ERMS) activities. In Fiscal Year (FY) 2009, USAID/OFDA provided more than \$93 million to support ERMS initiatives in 22 countries. Between October 2009 and May 2010, USAID/OFDA provided more than \$60 million to support ERMS activities in 16 countries throughout Asia, Africa, Latin America and the Caribbean, and the Middle East.

A functioning economy is critical for communities to sustainably recover from a disaster. Businesses need to reopen, livelihoods need to be rebuilt, and banks need to provide financial services. In promoting economic recovery, USAID/OFDA targets economic drivers at the local, regional, and national levels. USAID/OFDA helps rebuild families' livelihoods and assists small and microenterprises (SMEs) rebuild damaged assets and replace lost stocks. USAID/OFDA supports Microfinance Institutions (MFIs) with infusions of capital, thereby enabling MFIs to continue providing critical financial services. In short, the central tenet of USAID/OFDA's ERMS programming holds that economic recovery allows families to proactively recover from a disaster without becoming reliant on continued humanitarian aid.

EMERGENCY MARKET MAPPING ASSESSMENT

In FY 2009 and to date in FY 2010, USAID/OFDA has provided approximately \$550,000 to support a network of non-governmental organizations (NGOs) in the development of an Emergency Market Mapping Assessment (EMMA) methodology. EMMA is a tool that allows humanitarian aid workers to conduct quick market analyses to determine how and where critical markets have been affected by a disaster. After understanding how markets are functioning, aid organizations can design relief programs that meet emergency needs, as well as support economic recovery. Through purchasing relief supplies on the local market, improving the flow of goods, or increasing local purchasing power, aid organizations help jumpstart economic activity and spur the expansion of local businesses. To date, NGOs have conducted EMMA assessments in Haiti, Indonesia, Pakistan, Kenya, and Burma. The next phase of the EMMA program will focus on disseminating principles and lessons learned to a wide range of humanitarian actors.

USAID/OFDA HELPS HAITIANS RECOVER FROM THE EARTHQUAKE

Following the magnitude 7.0 earthquake that struck southern Haiti on January 12, 2010, USAID/OFDA provided nearly \$50 million to support widespread economic recovery. USAID/OFDA assistance is helping households, SMEs, and MFIs resume economic activity and rebuild livelihoods. USAID/OFDA partners are providing cash grants to families, enabling households to purchase urgently needed items based on individual needs, while also injecting cash into the local economy. USAID/OFDA assistance is helping create temporary employment for tens of thousands of people through short-term, income-generating opportunities. Finally, USAID/OFDA is providing cash grants to MFIs in Haiti to ensure the continued movement of remittances—a critical component of Haiti's recovery process.

USAID/OFDA CONTACT

Laura Meissner, ERMS Advisor, lmeissner@ofda.gov