

# **A guide to upgrading rural agricultural retail markets**

by  
**Cecilia Marocchino**



Agricultural Management, Marketing and Finance Service (AGSF)  
Rural Infrastructure and Agro-Industries Division  
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## **Preface**

This Working Document provides practical guidelines for upgrading agricultural retail markets in rural areas and analyses the strategic potential of upgrading as an important component of rural development. This document presents methodological steps for the design and implementation of appropriate programmes, rather than a single model to replicate. The objective is to propose an inclusive project where women, usually the most vulnerable, play a leading role in the decision-making process and have greater access to upgraded infrastructure and facilities.

The Working Document is primarily based on major field experiences in Ethiopia, some minor field experiences in West Africa and in Bangladesh, and from an extensive literature review. Results convey that retail market upgrading is essential for income generation activities, strengthening food security, developing rural market linkages and for mainstreaming gender issues within rural development strategies. Hence, upgrading projects should not only improve the infrastructure, but also need to consider the objectives of poverty alleviation and livelihood improvement in rural areas.

The guide is aimed at people working for local government, donor agencies, inter-governmental organizations (IGOs) and non-governmental organizations (NGOs), and also for planners, rural development decision-makers and researchers.





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All photos: courtesy of © Olivio Argenti.



## Acronyms

ABRDP	Arsi Bale Rural Development Project, Ethiopia
AMUP	Agricultural Market Upgrading Plan
Br	Birr (Ethiopian Currency)
CDP	Community Development Programme
FSDS	Food Supply and Distribution System
GTZ	German International Technical Cooperation Agency
IFAD	International Fund for Agricultural Development
IGO	Inter-Governmental Organization
LGED	Local Government Engineering Department, Bangladesh
MFI	Microfinance Institution
MIS	Market Information System
MMBA	Market Management Bank Account
MMC	Market Management Committee
MU	Market Unit
NGO	Non-Governmental Organization
NT	Number of Traders
RRA	Rapid Rural Appraisal
WB	World Bank

For the purpose of this document the exchange rate of Br9.21 per US\$1 was used.



# 1. Understanding rural retail markets

## 1.1 GUIDING PRINCIPLES

Rural retail markets are locations where agricultural producers, traders and consumers come together for commercial purposes: supplying, selling and buying goods. However, markets also serve social purposes, playing an important role in the life of rural populations related to use, habit and tradition, and importantly by providing formal and informal temporary income-generating activities for the unemployed.

### Box 1. Rural retail markets: general characteristics\*

#### Typology

There are different types of markets: those established on a plot of land, in a building, a temporary structure, a semi-permanent structure, mobile stalls or fenced-in areas. Rural retail markets are usually open air markets and can be included in a project plan as a commercial centre, market area or a piece of land utilized spontaneously.

#### Physical categories

Rural markets, in terms of physical characteristics, can be classified as 'central markets', 'neighbourhood markets' and 'village markets'.

The central market is usually located at a critical point in the overall transportation grid: typically all the surrounding market area becomes a 'commercial centre' where all variegated trading activities are located. The centralization of all commercial activities in one location has significant effects on congestion in and around the market area. These 'commercial centres' are usually where people have a wide array of product choice and can interact socially.

The neighbourhood and village markets are usually periodic general markets that supply remote areas.

#### Agricultural retail market

In rural areas, an agricultural market is often a section of the central market where a variety of local or imported products are sold, including fresh and processed crops, meat, dairy products and fish.

#### Market management

Most markets are managed by the public sector that mainly collect taxes and define space and zoning criteria. The official list of approved market traders - if one exists - rarely corresponds to reality; sub-leasing and the use of figureheads are common practice.

**Services and market facilities**

Market cleaning services are provided by the public sector and commonly are inadequate and insufficient. Water services often do not exist or suffer from serious management problems. Sanitary facilities are usually present, but they are overpopulated, expensive or do not work properly and consequently suffer from poor hygiene conditions. In most of the markets, storage facilities and security services are informally managed by traders.

\*(see also Annexes 1 and 2)

There are different examples of market upgrading projects many of which have been associated with dysfunctional and negative externalities, such as social and political conflicts or exclusion. In most cases where projects were only aimed at infrastructure upgrading and did not guarantee maintenance and management, most failed within a few years. Further if commercial activities did not improve, market traders were not motivated to invest their own funds in its maintenance and with no appropriate management strategies, usually the richest traders were most likely to become the direct beneficiaries of the project.

**Box 2: Retail markets in Dhera, Ethiopia**

In Dhera, in the Oromia region, the local government provided a permanent marketplace for petty food traders, but the upgraded market was nearly always empty; used only once a week by traders of second-hand clothes. The majority of petty traders sold their products in the surrounding area, displaying them on the muddy ground. The main reasons for this were that the upgrading project was exclusively decided upon by the local government; no participatory approach was used, there was no appropriate management strategy, and only the physical infrastructure was considered. Traders also had problems with the taxation system and social conflicts. Further the lack of participation in the decision-making process caused a conflict between the administration and the beneficiaries and because of the faulty management strategy, many petty food traders could not pay the taxes that they were charged, and they preferred to sell outside the upgraded market area. The end result was that the market was not used by the intended beneficiaries of the project.

*Source: Dhera municipality, personal communication, Ethiopia, 2006.*

The lessons learned from a number of experiences suggest developing an approach that:

**Considers market upgrading also as a social development project:** local people become market ‘proprietors’, not the local government. All stakeholders participate in the project to develop a sense of ownership and have the opportunity to increase their knowledge through training and discussion. The most vulnerable groups need to be included or considered as the main target beneficiaries.

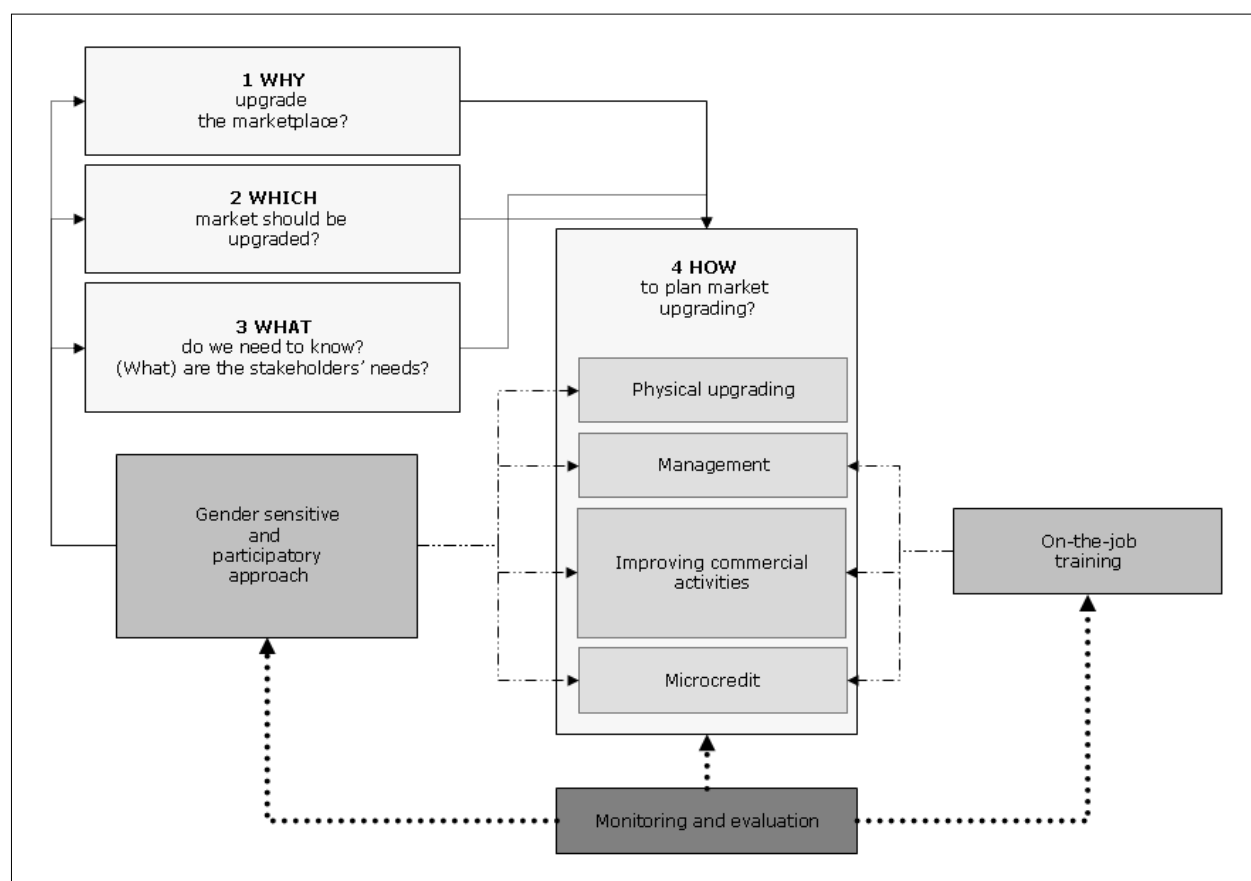
**Considers the social and gender dimensions of market projects:** if retail market upgrading projects focus narrowly on economic and financial elements, there will be a risk of relegating their social function to a secondary role. The establishment of new services and new taxes entails the risk of increasing both social exclusion inside the marketplace and inequality between rich and poor traders. The main victims are likely to be women traders. The challenge of a rural retail market upgrading project is to address the constraints that impede women traders access and commercial development.

**Integrates ‘soft’ and ‘hard’ elements:** the ‘soft elements’ include community participation and the mechanisms to facilitate it (involvement in all project phases, training and capacity building); the ‘hard’ interventions are the infrastructure improvements (upgrading buildings and facilities, etc.). Soft and hard elements have to go hand in hand and be complementary. The soft elements have to be included in all phases of the infrastructure upgrading to create a social environment where the stakeholders involved have more capacity, interest and a sense of ownership in order to better manage and sustain infrastructure interventions.

**Brings together different stakeholders:** in order to develop a participatory decision-making process and follow-up all the project phases, a local work team needs to be set up and can be composed of:

- merchant representatives (women/men);
- market association representatives (if there is one);
- local government representative;
- key informants;
- other resource people (according to the specific context).

**Figure 1. Flow chart of a retail market upgrading project**



## 1.2 WHY UPGRADE THE MARKETPLACE?

At the beginning of the process it is important to verify the need for an investment in upgrading a rural retail market and to justify such an intervention.

### ***Step one: what are the problems?***

Identify the main constraints inside the marketplace. In most cases the problems can be summarized as:

- very poor hygiene conditions in the marketplace;
- most small-scale traders derive from their market activities a very low daily net income (between US\$0.50 and US\$3). This caused by product losses, seasonal availability of the products, lack of market information, intense competition with informal traders and insufficient initial capital;
- perishable products which are usually sold by women petty traders.

### ***Step two: is market upgrading a priority?***

Determine if the marketplace upgrading represents:

- one of the main problems within the food supply and distribution system (FSDS) of a specific rural area, or if there are other priorities, such as road construction/upgrading, a shortage of storage facilities, etc.;
- a way to improve household income (particularly for women).

**Figure 2. A rural market in Ethiopia**





All possible sources of information - such as key informants, local planning instruments and other projects, reports and studies - need to be identified and used.

***Step three: what should the main objectives of the market upgrading project be?***

In most cases the objectives can be summarized as:

- strengthening food safety by providing a healthier environment with basic infrastructure and facilities in the markets where hygiene conditions are poor and the risk of food contamination is high. This could also have an impact on the preservation of fresh products and on their nutritional value;
- reducing the losses of perishable agricultural products by providing appropriate shelters, storage and water facilities;
- improving marketing efforts by providing training in marketing and promoting traders' associations;
- reducing the risk of women being excluded by facilitating women's participation and their access to market facilities, training and microcredit system.

**Figure 3. A female informal trader, Ethiopia**



### **1.3 WHY A GENDER-SENSITIVE APPROACH?**

#### ***Women are one of the most vulnerable groups inside the marketplace***

In most cases, market activities are a refuge for female merchants (widows, single mothers, victims of sexual harassment, divorcees, etc.). Their small-scale market activities are part of the daily struggle to ensure their own survival and that of their children. Young women with two or three children under an umbrella, in the mud, selling a few kilograms of tomatoes, onions or potatoes, is a very common site in many rural markets.

Women often represent the majority of traders that have the cheapest products: they sell foodstuffs such as vegetables and other perishable products, (which have little added value), mainly because these require small cash investments. Further trade in perishable food products tends to be uncertain, this caused by the irregular supply, lack of adequate information and the keen competition among informal, temporary and permanent traders.

#### ***Women are the victims of social exclusion inside the marketplace***

Women and men sell different products, they have different power relationships and they also have different levels of financial resources. Women social exclusion in marketplaces can take various forms:

- women often work in the most run down areas of markets where hygiene and sanitary conditions are neglected;
- women petty traders are affected by progressive expulsion, because most sell inexpensive products and they are marginalized by traders who sell more expensive products; this is a frequent phenomenon in marketplaces;
- if a traders' association or market committee exists, women are often excluded or, at best, underrepresented. These organizations usually safeguard the interests of the rich, male traders;
- taxation systems inside market areas are not transparent and women are often the victims of arbitrary taxation or fraud;
- women do not have storage facilities for their goods and have to carry products or pay for transportation back to their homes;
- women do not have access to credit and therefore it is very difficult for them to improve their business activity;
- the majority of women petty traders are uninformed or misinformed about their rights, they do not have access to information and consequently they forgo most opportunities to improve their economic and social situation.

In summary, the vulnerability of women petty traders has a direct effect on their households' livelihood and food security.

**Figure 4. Roots and tubers market, Ethiopia**



#### **1.4 WHICH MARKET SHOULD BE UPGRADED?**

##### ***Selection criteria based on an analysis of the infrastructure and economic context***

- The existence of other initiatives related to improving the FSDS (e.g. road construction/upgrading/maintenance, market construction, urban and peri-urban agricultural development in the areas surrounding the market, improving agricultural production, agriculture diversification initiatives, training programmes for merchants or farmers, microcredit programme);
- the extremely poor condition of the area (the absence of shelter, drainage system, water, toilet facilities, etc.);
- high volumes of perishable products and high losses caused by a lack of market facilities;
- number of daily transactions inside the market area;
- daily gross turnover for agricultural products;
- hygiene conditions of an area utilized by more than, for example, 100 women petty traders.

##### ***Selection criteria based on an analysis of the stakeholders***

- Small-scale traders prioritise the market upgrading project among other initiatives;
- an association of women petty traders exists among market users;
- the traders are willing to accept higher rents and taxes to cover the costs;
- the local government is contributing financially toward upgrading the market;
- traders' associations (if there are any) want to contribute to market upgrading in terms of financial resources or man/woman power;
- the traders are willing to create organizations, such as cooperatives and micro-enterprises if they do not exist.

**Selection criteria based on an analysis of the area's conditions**

In some areas, the upgrading of a rural retail market may be justified even if the above mentioned criteria are not met. In this case the selection criteria are as follows:

- extreme poverty and high level of food insecurity. In such cases the market could become an opportunity to increase household incomes;
- poor infrastructure conditions of the existing market infrastructure or the area where trading takes place. For example, the absence of an appropriate drainage system could transform the market, during the rainy season, into a muddy and consequently inaccessible and unhygienic area;
- high frequency of illness caused by food contamination and disease transmission.

**Box 3: Upgrading retail markets: Arsi and Bale areas, Ethiopia**

In Ethiopia, the Arsi Bale Rural Development Project (ABRDP) identified, designed, financed and implemented three pilot initiatives on market upgrading in the towns of Asella, Robe and Goba. The overall objective was to contribute to the general living conditions of poor households, increasing food security and income for petty traders. The markets, equipped with storage facilities and shelters, became an important component for improving the FSDS; they also became an effective tool to reduce the losses of perishable food products (the income generated from sales is an important source of cash flow for the households). In 2005, the ABRDP decided to extend project interventions into other nine towns. The total number of direct beneficiaries of the market micro-projects were about 2 000 petty traders, 80 percent of whom were women.

**Criteria used for selecting the markets**

After a general overview of the market areas in the Oromia region, the ABRDP decided to start the market upgrading development process by prioritising the most marginalized areas of some district markets where agricultural products were sold.

The most important criteria used to prioritise the district markets were:

- very poor sanitary conditions of the market area;
- linkage with other ABRDP activities;
- population served no less than 50 000;
- market area of perishable products at least 2 000m<sup>2</sup>;
- agricultural products and locally produced perishable commodities sold;
- prioritisation of market construction by the community or according to district planning guidelines;
- contribution from the municipality in terms of cash contribution (10 percent) of the total cost;
- daily turnover no less than Br10 000;
- at least 150 women petty traders selling perishable products in a marginalized area of the marketplace.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

**Figure 5. Fruit and vegetable retailer, Kersa, Ethiopia****Box 4: Selection criteria for the Asella market\***

Selection criteria	Description	Evaluation
Sanitary conditions	The traders displayed the products in the mud, at the edge of the drainage channel full of garbage and stagnant water.	Very bad
Linkages with other projects	Internal road upgrading. Support for the opening of a new microfinance branch office. Support to an urban horticulture project in a green public area close to the market. Upgrading the main road (Asella to Addis Ababa).	Very high
Population served	174 000	Very high
Availability of local perishable commodities	More than 200 petty traders sold perishable local products. The demand for perishable products was growing. Daily gross turnover between Br25 000 and Br30 000.	High
Community participation	The market traders and the local government considered market upgrading an urgent need for Asella.	High
Local government financial contribution	The Asella municipality in terms of cash contributed ten percent of the total cost of the market upgrading project.	Good

Source: Italian Cooperation. 2006. *Arsi Bale Rural Development Project, Ethiopia*.

\*This was a pilot initiative for the Arsi and Bale areas in Ethiopia (see also Annex 3)

**Figure 6. Informal traders in a rural market, Kersa, Ethiopia**



## **1.5 WHAT WE NEED TO KNOW: SURVEY OF THE SELECTED MARKET AREA**

### ***What are the main purposes of the survey?***

- To prepare the action plan based on the agreed objectives;
- to design the baseline assessment. Basic data and information are collected before the project begins and will be used to assess the progress made and to develop the monitoring and evaluation system.

### ***What steps are to be taken to collect data?***

- List the necessary data and the possible sources;
- verify the reliability of the available data (e.g. list of traders, maps, average annual sales for the market, taxes collected, etc.);
- create a specific survey team to collect the required information and mobilise available resources. Working in a team can stimulate discussions, make it possible to go beyond the structured data collection and contribute to the identification of problems and solutions. The team could be comprised of:
  - an engineer/planner;
  - a person responsible for tax collection;
  - a person responsible for sanitation in the area;
  - a gender officer (if one exists);
  - a representative of traders and/or farmers;
  - a representative of female traders;



- a representative of the traders' associations (if one exists);
- other key people, who are knowledgeable about the marketplace, the traders and market channels;
- data collection (see Box 5).

### Box 5: Data collection methods

Several basic survey techniques exist:

- direct observation: e.g. walking through the market and observing the situation;
- mini-survey: a structured questionnaire with a limited number of close-ended questions to a sample of stakeholders;
- key informant interviews: a series of open-ended questions posed to stakeholders selected for their specific knowledge and experience in the workings of the market;
- interviews as part of a rapid rural appraisal (RRA): carried out by visiting the communities and their markets to collect information. The interviews are qualitative, in-depth and semi-structured;
- focus group interviews: where local people are asked various questions, can discuss and analyse problems;
- review of different existing resources (records, reports, studies).

Suggestions:

- inform market traders about the purpose of the survey in order to increase their level of trust and strengthen their willingness to collaborate;
- organize meetings with all market stakeholders in order to have them discuss and analyse the problems. The role of the facilitator is fundamental for stimulating discussions and guiding them toward the desired objective;
- organize specific meetings for women because they may not feel comfortable talking in the presence of men;
- hold informal discussions to obtain any further information and have a more comprehensive picture of the situation.

### ***What data is necessary?***

The survey process starts with the collection of data concerning\*:

- infrastructure assets;
- mapping of the marketplace in terms of its geographic features, master plan area, trader placement and distribution, and physical infrastructure;
- commercial activities;
- market management;
- socio-economic situation of market traders (particularly of women);
- farmers and middlemen inside the retail market area;
- small-scale female traders inside the market area.

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\* See also Annex 4.

**Box 6: An example of data collection on women in a market area**

- Number of women;
- social status of women;
- kind of products sold;
- hygiene conditions of the occupied area;
- initial capital;
- tax/rent paid;
- women representatives inside the market committee, traders' organizations (if there are any);
- existence of any discrimination between women and men;
- daily turnover.

**1.6 WHAT IS NECESSARY TO KNOW: NEEDS ASSESSMENT OF MARKET-STAKEHOLDERS*****What is a needs assessment?***

This involves the identification of the current situation and the problems and opportunities. It then requires the preparation of a list of priority needs. What has to be kept in mind is that 'actual' needs are not always the same as 'perceived needs', or 'wants'. It is very common for interviewed stakeholders to identify their own personal interests or those of a small group, as the general interest of the many. The facilitator's role is to enable all the stakeholders to become conscious of the objectives of the meeting/interview, making them reflect on the needs of the community and not on those based on personal interest alone.

Needs have to be identified at the following levels:

- the physical area;
- commercial activities;
- market management;
- vulnerable groups.

***How does it work?*****Figure 7. First scenario**



### Box 7: Participatory market upgrading projects: Senegal and Bangladesh

In Senegal, the World Bank (WB) has supported the 'Programme Nationale de Développement Local' and has also, for all the rural communities, provided training and capacity building in order to create true community participation in the decision-making processes. Currently, there are regular general assemblies held with all of the community members where needs are analysed and the local development plan is formulated and approved. During 2005, the community of Diossong (Fatick region) decided to upgrade the central market, prioritising the intervention as part of the local development plan. The community-based organization within the market already existed and it asked the community to consider upgrading the market because of the unhealthy conditions of the area. The market upgrading was also proposed as an opportunity to integrate the disabled and the poorest women in the project as traders and employees. The community, through a democratic vote, prioritised upgrading the market and this was financed with the social funds from the 'Programme Nationale de Développement Local'. The entire community contributed to the project giving 'what they could' and the local government contributed ten percent of the total project cost.

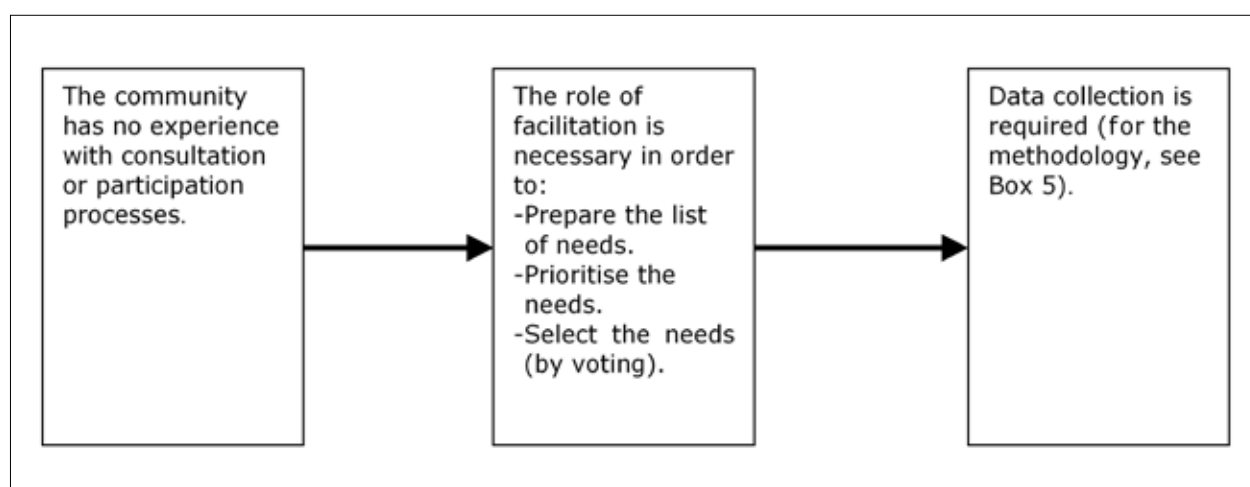
In the Barisal and the Khulna division in Bangladesh, the German International Technical Cooperation Agency (GTZ) supported the Local Government Engineering Department (LGED) to develop a programme to produce quality infrastructure and sustainable livelihoods for rural people in 16 districts of Barisal and Khulna, two Southwestern divisions of Bangladesh. Road upgrading and 68 market construction projects were prioritised, among other initiatives, by the local people as the most urgent interventions for the development of the rural area. Although the engineers and staff had pre-selected roads and markets in the project preparation phase, the local participatory meeting had the final say on which road or market had to be improved under the project.

#### Sources:

World Bank. *Programme Nationale de Développement Local*, personal communication, Senegal, 2007.

GTZ. *Rural Infrastructure Improvement Project (RIIP)*, personal communication, Bangladesh, 2007.

Figure 8. Second scenario



**Box 8: The needs assessment process: experience in the Arsi and Bale areas of Ethiopia****Pilot phase: very weak participation by stakeholders**

The context of the Asella market was very complex because most of the stakeholders had no experience with project participation, with interviews or focus group discussions. At the beginning, interviews and questionnaires were used because stakeholders were not able to talk within a focus group discussion or general assembly. There was a widespread sense of mistrust among the traders.

After the infrastructure upgrading of the market was begun, the social participation and mobilisation process also started. The low-income women petty traders started to develop a sense of ownership of the market area. The ABRDP started to consider the Asella market as a 'laboratory' where all the project phases were continuously monitored and revised in order to improve design of the tailor-made market upgrading strategy.

**Replication phase: very high social mobilisation and participation**

The Asella market became a demonstration site for all the surrounding Arsi and Bale districts. Many traders and municipality officers visited the Asella market area and a great number of districts prioritised the upgrading of their central markets within their local development plan. The traders and the municipality of the Kofele district paid a camera operator to prepare a video of the local market conditions and sent it to the ABRDP to demonstrate the urgency of market upgrading and to ask for financial support.

In Asella, after the project started, the local government began to upgrade the road in the surrounding area of the market and was ready to invest additional funds into the infrastructure upgrading of the market.

The women petty traders of the Asella market set up their own cooperative and built a small meeting place.

During this phase, a general assembly with traders, wholesalers, farmers and local government representatives was held to define the future development of the Asella market upgrading process.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

***Needs assessment of women petty traders***

Experience demonstrates that the ideas, preferences and priorities of women and men concerning equipment and services (such as business security, training and childcare) can be very different. These need to be identified through focus group discussions held only with women petty traders, led by a facilitator with experience in women's empowerment.

## 2. How to prepare an agricultural market upgrading plan

### 2.1 DECIDING ON THE STRATEGY

Once needs are prioritised, an Agricultural Market Upgrading Plan (AMUP) needs to be prepared. The process could start with a list of prioritised ‘hard’ and ‘soft’ interventions.

Hard interventions include:

- land use plan;
- building construction/upgrading;
- facilities construction/ upgrading;
- access and circulation management.

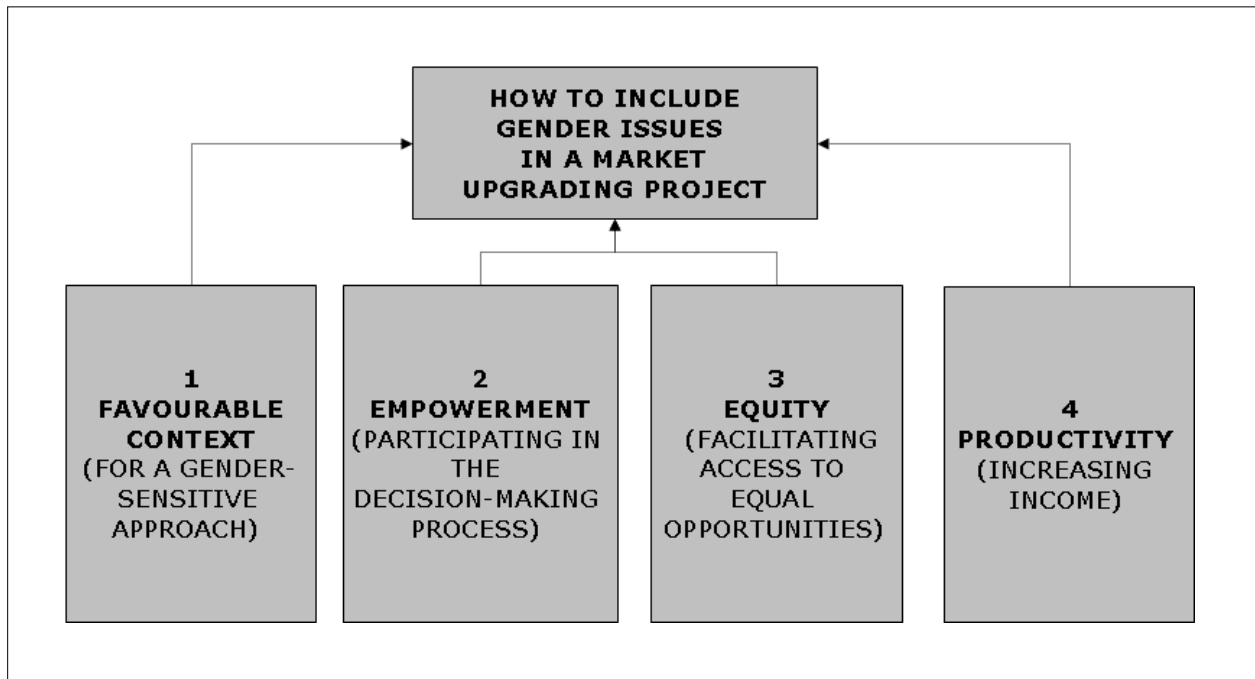
Soft interventions include:

- market management;
- improvement of commercial activities;
- microfinance for small-scale traders;
- training programme;
- support for social inclusion of women small-scale traders.

A timetable could then be prepared by combining financial availability with established priorities.

### 2.2 PRINCIPLES OF A GENDER-SENSITIVE APPROACH

Experience shows that if a market upgrading project focuses only on economic and financial elements, the social element will receive insufficient attention. The establishment of new services and new or higher taxes may increase social exclusion and inequality between rich and poor traders inside the marketplace; the victims of this being mainly women.

**Figure 9. Integrating gender in a market upgrading strategy*****How to integrate gender in a market upgrading strategy?*****1. Make the context favourable to a gender-sensitive approach**

- Train local government staff in gender-sensitive issues and measures (e.g. violence against women, female poverty, childcare, etc.);
- review all project phases - from selection of the area up to monitoring and evaluation – with a gender perspective;
- train all stakeholders on gender issues;
- include a gender expert in the project team;
- use different forms of communication with men and women;
- hold frequent focus groups only with women petty traders.

**2. Empowering women**

- Include representatives of female traders in the project team;
- make women the main representatives within the Market Management Committee (MMC);
- make women aware of their rights, their responsibilities and what they can do if they are victim of exclusion or marginalization;
- let women know that they are the main focus of the project;
- ensure that information also reaches women;
- train women on leadership, communication and conflict management. The time and place for training, proposed by women, should be respected to ensure their participation;
- encourage the creation of a women's association. Unity, legal status and linkage with other women associations strengthen the fight against an unequal society;
- discuss tax/rent plans with women and solicit their endorsement.

### Box 9: Women in markets, Bangladesh

GTZ is implementing a project for the upgrading of roads, bridges and 68 markets in 16 districts of Barisal and Khulna, two Southwestern divisions of Bangladesh. Before their construction, the average number of sellers in these markets was around 600, with less than 1 percent of them being women. The project proposed that a small section of the market would only be for women traders.

The process of women's inclusion is slow and complex, particularly in the most conservative areas, but the construction of the women's section is an important achievement. The person responsible for the project is confident that the number of women traders will increase in the future and the process of women's inclusion will consequently be improved.

*Source: GTZ. Rural Infrastructure Improvement Project (RIIP), personal communication, Bangladesh, 2007.*

### Box 10: Women in markets, Arsi and Bale areas, Ethiopia

#### The context

The ABRDP proposed a gender inclusion strategy as the main objective of the market upgrading project. Local government staff was trained on gender inclusion and equity, and signed agreements with the ABRDP accepting to consider women as the main target group of the project. But access to market services for the poorest women petty traders was still hindered by the taxation system that did not change after the market upgrading process.

#### Women empowerment

Training was an important component of the project in supporting women market management. A participatory approach, including women-only focus groups, was followed in all the project phases. The infrastructure upgrading, the management strategy, the strategy for assigning places, the taxation system, the management of social conflicts were decided together with women petty traders who were the primary beneficiaries.

#### Equity

In the ABRDP project, women had a priority in the assignment of places and in using market services such as storage.

#### Productivity

Women petty traders received priority access to the microcredit system. They were trained on how to form traders' associations and improve marketing activities.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

### **3. Facilitate access to equal opportunities**

- Give priority to women in assigning spaces, both permanent and temporary;
- evaluate the feasibility of storing products inside the market shelters in order to avoid having to transport them daily. Security should be provided by the women themselves;
- equal access to all the services provided (shelter, water, electricity, etc.) should be guaranteed by women representatives inside the MMC.

### **4. Improving women petty traders' productivity**

- Provide tailor-made financial services (loans, saving and insurance coverage). A social fund could be provided to the microfinance institution (MFI) in order to design a flexible (in terms of size and repayment time) credit system. Access to financial services has shown to improve the status of women within the family and the community;
- provide training on how to improve market activities (product diversification, management, etc.).

## **2.3 INFRASTRUCTURE UPGRADING: A LIGHT APPROACH**

### ***What are the guiding principles?***

The approach proposed here is a process that can facilitate the development of a sense of ownership, thus the scale of physical infrastructure intervention is usually limited because of this. If the intervention is appropriate and tailor-made, and if traders - both women and men - are part of the decision-making process, they will consider themselves as owners and take responsibility for the marketplace. Traders will also continue the upgrading process by mobilizing additional local or external resources.

The total daily gross sales of these markets are usually not enough to justify complex physical structures. The users of rural markets are low-income traders, most of them cannot cover the cost of complex construction/upgrading projects and do not have the financial resources to maintain the building(s), thus simple and low-cost infrastructure and facilities need to be developed.

This section will not provide technical details on physical infrastructure upgrading (a number of specific publications, listed in the selected further readings of this document, address these issues). What is suggested here, however, are guidelines on how to go about implementing a rural market upgrading plan, comprehensive of gender inclusions.

### ***How to integrate women in the infrastructure upgrading process?***

- Women should be included in discussions on the physical infrastructure upgrading plan priorities.
- Frequent focus groups should be held only with women petty traders to understand which infrastructure and facilities are a priority for them.
- Very poor women should be considered for employment in market construction and maintenance.

### **Box 11: Women in infrastructure upgrading projects: Ethiopia and Bangladesh**

In the Arsi and Bale markets in Ethiopia, the areas utilized by women petty traders of perishable products were selected for upgrading under a pilot initiative. The type of shelter, the materials used, and the kind of infrastructure interventions were selected according to the women's needs and based on their ability to pay for tax and physical structure maintenance.

In Barisal and Khulna divisions of Bangladesh, workshops were held to motivate selected contractors, for upgrading roads and markets, to hire women and pay them the same amount as men. As a result, the percentage of women employed by these contractors increased from 0 to 10 percent in the more conservative Barisal district, while in Khulna, 39 percent of the workers are now female. There was also a significant drop in wage differentials.

In the Charlands region of Bangladesh, a market upgrading project, financed by the International Fund for Agricultural Development (IFAD), included the construction of a standard women's market section with shops and toilets. Extremely poor women were also targeted by the project for employment in road and market construction; the women being selected by local government. The project also plans to finance the employment of women through labour societies for routine road maintenance and to resurface the roads every five years.

### ***What are the components of the physical infrastructure upgrading plan?***

#### **Land use plan**

A general layout should be prepared for the entire market area showing:

- the intended use of the market area, showing different areas for food, industrial products, meat/fish and agricultural products;
- access, parking and waste disposal areas;
- internal circulation system;
- the area for farmers, retail and wholesale merchants as well as permanent and temporary traders.

#### **Improving point of sale for agricultural products\***

Priority consideration should be given to:

- the upgrading/construction of the pavement, with an appropriate drainage system;
- permanent shelters for permanent traders;
- mobile shelters or a simple paved area for temporary traders;
- the area where perishable agricultural products are sold;
- available local materials, if they do not require a lot of maintenance;
- building point of sale on a different level than that used by pedestrians, to ensure a healthy environment.

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\* See in annex 7 layouts 1 to 4.

**Figure 10. A congested rural market, Asella, Ethiopia**



### **Drainage system**

The drainage system has to be upgraded in all of the surrounding areas of the market in order to ensure a healthy local environment. An open drainage channel would facilitate cleaning.

### **Water facilities**

This includes drinking water as well as water used for washing products and cleaning the market area. The possibility of using roof-top water harvesting technology should be considered.

### **Toilets**

Toilets are usually provided by the municipalities, but they are often dirty, poorly managed and expensive. A model for providing and operating well-constructed and well-managed toilets could make the market area a demonstration site for sanitary improvement.

### **Storage facilities for retailers**

Overnight storage facilities should be developed, used and managed by sell point owners.

### **Physical infrastructure maintenance strategy\***

A plan for market infrastructure maintenance needs to be provided.

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\* See Annex 5.



## 2.4 MARKET STUDIES

The aim of a market study is to help design an appropriate marketing strategy. A marketing strategy is necessary to improve commercial activities that are important in making rural retail markets work. A market study can be conducted to test the performance of products already available in a certain market and/or to introduce new products. A study on the existing and potential demand by product or service should be conducted in order to obtain the basic information necessary to provide a comprehensive understanding of the different opportunities for defining a marketing strategy.

The market study should be based on qualitative data collected from a representative sample of different customers (See Box 5 for data collection methods). In most cases, some 'guess work' will be necessary in order to assess both present and future demand<sup>1</sup>. The main components of a market study are:

### ***Market size and growth***

What needs to be considered are macro-economic and financial variables, for example, inflation and unemployment rate, cost of fuel, government policy, possible salary increases, and demographic growth, etc.

### ***Consumer behaviour***

The market for any product can be split into individual segments, where each segment describes customers with similar socio-economic levels, requirements, tastes, characteristics, interests, religious faiths and lifestyles.

- Needs and priorities of the different segments;
- level of satisfaction and quality of existing services;
- specific demand for each product in terms of periodicity, availability and quality;
- service or product desired;
- price perception, affordability and willingness to pay.

The analysis should consider the present or actual demand during the different periods of the year.

A targeted analysis of demand focused on a representative sample of other actors in the market (farmers, middlemen and traders) could also be useful to justify the opportunity to provide a specific service such as the Market Information System (MIS).

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<sup>1</sup> Present or actual demand is the demand for the product or service in the current year. To estimate future demand, the increase in demand for the following three to five years has to be calculated based on a percentage of present or actual demand.

**Box 12: Demand analysis for a market information system**

Farmers and traders acquire some information about prices and quantities from other farmers, wholesalers and middlemen, but this information is usually not reliable. A MIS is a service that is usually either completely neglected in rural areas or does not provide reliable information. As telecommunication technologies advance rapidly, farmers and middlemen are beginning to access information via mobile telephone from major markets, but most petty traders have no access to any such service and market information. Upgraded rural markets are likely to become meeting points of traders, farmers, middlemen and wholesalers. They could also become the centre for MISs. The MMC or the local municipality could employ a young high school graduate and open a small office (a desk with telephone and a chart would be sufficient), to collect and process the data and disseminate the information\*.

\*For more information about market information see FAO. 2003. *Understanding and using market information*, by A.W. Shepherd, Marketing Extension Guide No. 4, Rome.

**2.5 MARKET TRADERS' ASSOCIATIONS**

The issue of market traders' associations is complex and is strongly connected to the local political context. For example, in sub-Saharan Africa, rural agricultural traders' associations are few and weak, particularly in the perishable products trade, and among low-income petty traders. If traders' associations exist, a detailed analysis should be carried out to understand their role inside the community. Sometimes associations are politically supported and a real lobby could exist between the association and the local government.

Market traders' associations - or cooperatives - should be promoted through training aimed at making traders aware of the various benefits including the opportunity to reduce their transaction costs. Technical support can also be required to define internal rules, business plans and to manage internal conflicts.

***Strengthening existing associations***

The opportunity to create a network - an umbrella organization - of all associations or cooperatives has to be assessed in order to strengthen the existing organizations. The objective of this umbrella organization could be to facilitate the movement of goods and the exchange of information regarding prices, market opportunities, and the transportation system. The network could also facilitate the search for development funds.

***The umbrella organization: a way to achieve more effective women inclusion***

The creation of an umbrella organization which uses a strategy of female solidarity, 'working with women and for women', could become an important achievement in terms of women inclusion. The organization has to:

- work to encourage women to form associations in remote rural villages;
- support the creation of women-led micro-enterprises;
- support members in the event of illness, death or other crisis/emergencies;
- facilitate the relationship with public institutions and assume more power in the decision-making process.

For additional information and examples regarding these issues, see a FAO publication devoted to association of market traders<sup>2</sup>.

## 2.6 A MICROCREDIT SYSTEM FOR PETTY TRADERS

Microcredit systems are critical anti-poverty tools and a way to invest in human capital. Facilitating access to microcredit services for the poorest traders, who are part of the informal economy which represent the majority of market activities, could be considered part of the market development process. Moreover an appropriate microcredit system could help traders who often turn to informal sources of financing, usually at a very high cost, to start or to continue their commercial activities<sup>3</sup>.

### ***How to integrate an appropriate financial system as a component of the market upgrading plan?***

- Evaluate the existent MFIs, the services they provide and select one for the market traders.
- Evaluate the possibility of opening an MFI branch office inside the market area in order to make the service known, visible and to attract more customers.
- Ensure that the loan officer takes part in all phases of the project.
- Ensure that the loan officer is skilled, productive and regularly visits the marketplace.
- Inform petty traders on the benefits of microcredit and how it works.

### ***Suggestions for a tailor-made credit system for low-income petty traders***

- Provide loans through a group lending approach (groups of four to six people). The group members are collectively responsible and they mutually enforce the full and timely repayment of the loans.
- Establish an appropriate monitoring system which could provide information about market activities and stakeholders.
- Create a loan plan based on specific needs (in terms of size, timing, amount and cash flow cycle) as an incentive for the client to request the credit and to repay it.
- Diversify MFI services by facilitating access to savings.
- Provide rewards for full and timely loan repayment on the one hand and charge fees or penalties for late repayment on the other, as effective means of promoting good loan discipline.
- Provide incentives to organize the traders into cooperatives or micro-enterprises in order to stimulate the creation of associations and to reduce the transaction costs of the MFI.

### ***How can the MFI be supported to make credit accessible to poor women petty traders?***

- Provide social funds for the MFI. Long-term subsidized lines of credit and interest rate subsidies should be avoided because they can distort markets and increase donor dependence. The subsidies could be utilized to improve the institutional capacity of the MFI, encouraging the adoption and development of new flexible financial products to better serve the petty traders' needs. Emphasising institutional capacity-building could create the conditions for the future sustainability of the tailor-made microcredit system.

<sup>2</sup> FAO. 2005. *Association for market traders; their roles and potentials for further development*, by A.W. Shepherd, AGSF Occasional paper No. 7, Rome.

<sup>3</sup> For more detailed information and best practise, see FAO's agricultural finance webpage <http://www.fao.org/ag/ags/subjects/en/ruralfinance/index.html>.

**Box 13: Microfinance service in the Arsi and Bale areas in Ethiopia**

One of the criteria for selecting the market to be upgraded was the presence of a MFI branch close to the market area. The ABRDP provided revolving funds to the MFI in order to facilitate access for women petty traders selling mostly perishable products. A special agreement was signed with the MFI for market traders. Woman petty traders were identified as the 'entry group'. Nevertheless, microcredit should be extended also to other food traders to avoid the saturation of the vegetable market and promote the sustainability of the financial initiative over the long term.

**Main outputs:**

- increased scale of trading activity;
- increased quality and variety of products on the market;
- the end of borrowing money from usurers.

**Conditions for the loans:**

- having a stall in the market assigned by the municipality;
- being involved in selling agricultural products;
- forming groups of several women (from four to nine traders);
- temporary petty traders could use part of the loan to build a mobile structure.

**Microcredit system for women petty traders in the market****Pilot phase**

Number of eligible clients (average)	Asella 200 - Goba 120 - Robe 140 (80 percent are women)
Amount of capital for the first round	Br300 to Br500 per person in the group
Total capital to be disbursed from ABRDP (an average of Br400 for 500 eligible clients)	Br200 000

**Replication phase**

Number of eligible clients (average)	200 (9 additional markets and Asella market extension: around 80 percent are women)
Amount of capital for the first round	Br300 to Br400 per person in the group
Total capital to be disbursed from ABRDP (an average of Br400 for 500 eligible clients)	Br660 000

**Suggestions**

New flexible financial products could be proposed in order to conform better to the needs of the borrowers:

- diversify MFI loan's portfolio, with specific revolving funds for low income petty market traders;
- extend the repayment time from one year up to two years;
- decrease interest rates for micro-enterprises and cooperatives in order to sustain the creation of the association.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

**Box 14: Microcredit in the Charland region in Bangladesh**

Through the provision of microcredit, the project seeks to reduce and eventually eliminate the connection between credit and market transactions; poor people receive loans from moneylenders repaid in produce at discounted prices.

Eighty percent of the members in the microcredit groups are women. The provision of credit to households via women has shown to have significant gender impact in terms of enhancing women's role in decision-making, increasing the acquisition of assets by women in their own names and reducing violence against women.

*Source: IFAD. 2005. Market rehabilitation report, Bangladesh.*

**2.7 A MARKET MANAGEMENT PLAN*****Guiding principles***

Management of a market is one of the most important aspects that can, to a large extent, determine project effectiveness and sustainability. Upgraded markets that are not used, lack of maintenance and cleaning services are common and are usually caused by inappropriate market management. Markets are normally managed by local government, which does not have the interest, time and, in some cases, the technical capabilities to provide appropriate management. Even when local governments inject cash into market upgrading, management still remains inefficient. However, experience demonstrates that markets can be appropriately managed when market users are directly involved.

**Box 15: The market management programme: the Arsi Bale project, Ethiopia.****Pilot Phase:**

A MMC was created within the municipality. It included a market traders' representative and three municipal employees, from the health and social section, the technical section and the commercial section, respectively. Training in market management was provided.

**Replication phase:**

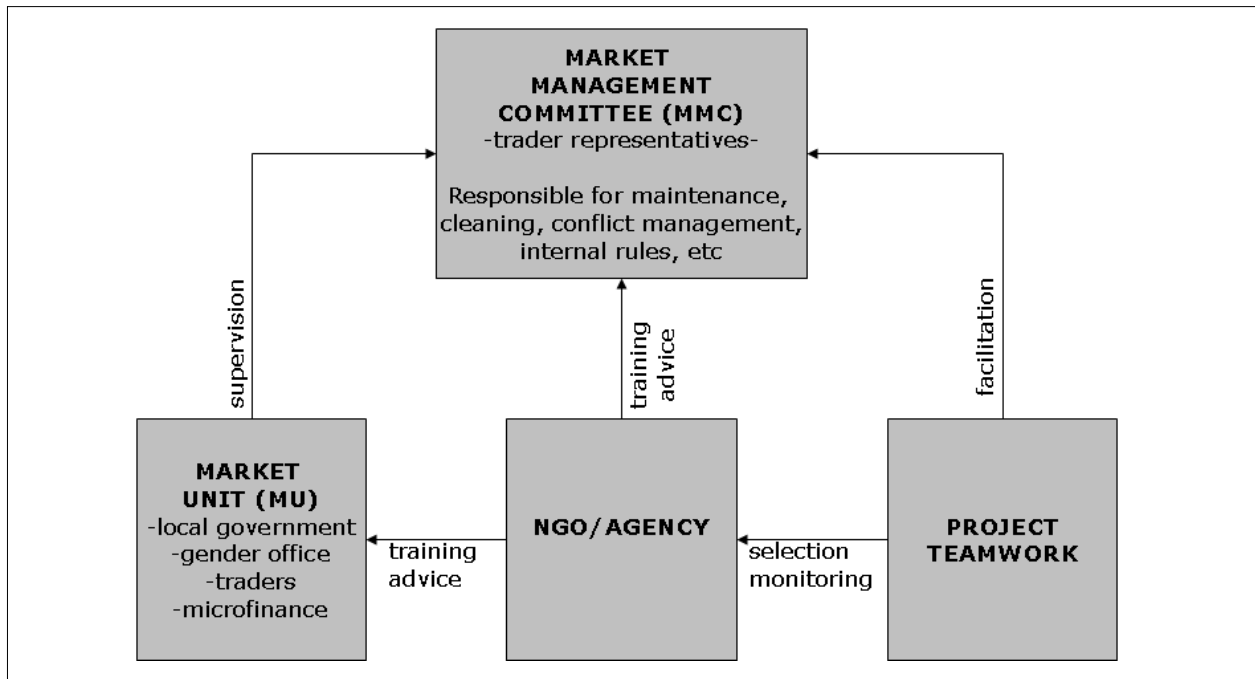
During the replication phase a different strategy using a bottom-up approach was proposed which properly valued the capacities, experience and willingness of the petty traders. The strategy had to change, because after two years, the MMC was not functioning well. This was mainly a result of the constant turnover of municipal officials and poor management. The municipality, which played a central role in managing the market, collected taxes from traders without reinvesting any financial resources in the market itself. Therefore the role of the municipality was reduced to auditing the efficiency, transparency and effectiveness of the MMC. This experience led the ABRDP to the decision of increasing the involvement of petty traders in all phases of decision-making. This has the potential to reduce costs, promote the long-term sustainability of the market, increase the transparency, and can also strengthen community cohesion, sense of ownership and social awareness.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

### **How could the market management strategy work?**

Complex market management mechanisms do not work in the rural context where simple procedures are required.

**Figure 11. A market management process**



### **Step one: define the institutional assets / all stakeholders involved**

The creation of the following structure is suggested:

- the MMC with members to be selected among and elected the traders themselves;
- the Market Unit (MU) which is made up of one representative from the local government, one from a MFI, one person responsible for gender empowerment (if there is any such office or department), one representative of the MMC, and other representatives from important constituencies (depending on the context).

If some type of organization already exists and is already responsible for some aspect(s) of market management, an assessment will have to be made to determine whether to continue with the current structure or to change the management framework.

During the definition of the institutional assets, the presence of a facilitator and a participatory approach are strongly suggested in order to ensure the transparency of the process and the resolution of possible social conflicts.

### **Step two: define the market management strategy**

This includes defining the responsibility of all the stakeholders utilizing a participatory approach. The strategy will be approved both by the MMC and the MU and presented to all of the merchants in a general assembly.

## ***What are the main components of the market management strategy?***

### **Assigning places**

There is no objective method for assigning market stalls or spaces. The assignation could be done by defining some rational criteria (e.g. if the market has been upgraded for agricultural perishable commodities, the users previously involved in that commercial activity should be prioritised). The assignation could be done by lottery or by using some other criteria decided upon by the traders (e.g. age, gender, seniority within the market, etc.). Priority could be given to women petty traders.

The responsibility for carrying out the assignments, in order to avoid social conflicts or a situation where the upgraded market is not utilized and all the traders sell in the surrounding areas, should fall on the traders' representatives (the MMC and the MU). In some markets where ethnic, gender or social problems exist, the presence of an external stakeholder as facilitator could be necessary to manage social conflicts.

### **Taxes/rents**

Traders have to pay a tax on their commercial activity as well as rent for the use of public land. The amount to be paid could remain the same as it was before the upgrading intervention for the first year. It could be increased for the following years, if the MMC approves the change.

The responsibility for collecting tax and rent will fall on local government. Occasional supervision from an external agency (an NGO or advisor in charge of monitoring the market upgrading process) could be considered.

### **Infrastructure and facilities management**

Traders themselves have to manage and maintain the infrastructure and facilities provided. They have also to provide a daily cleaning service (employing someone or doing it themselves). As this requires funds, a Market Management Bank Account (MMBA) should be opened and managed by the MMC under supervision by the MU. A treasurer will be responsible for bookkeeping.

For a cleaning service, the local government will be responsible for collecting the garbage from the waste dump on an agreed frequency, no less than once a week, depending on the volume of waste and climatic conditions.

If an external agency is part of the project, it will keep track of process development, train the people responsible and report to the MU or to the donor agency.

## ***How to include a gender approach within the market management strategy?***

- Include a gender expert in the project team.
- Ensure that women will be the main representatives within the MMC and the MU.
- Make sure that women know they are the main focus of the project.
- Provide tailor made training to women on leadership and communication.
- Give priority to women in assigning places.

**Box 16: Stakeholders' responsibilities in the Arsi Bale project in Ethiopia**

The stakeholders involved in the new strategy are:

- the MMC made up of trader representatives (all are women);
- NGO/agency (to be selected);
- the ABRDP project;
- the MU comprised of a trader representative, a municipality representative and MFI representative.

The responsibilities of all these stakeholders are as follows:

**Market Management Committee**

- Place assignment (in collaboration with the municipality).
- Encourage the creation of associations among the traders (in collaboration with the cooperative/micro-enterprise office).
- Define the internal roles within the market (in collaboration with the traders) and put in place corrective measures.
- Open and manage a bank account to cover fixed costs (maintenance and cleaning) and, if there are enough funds, for eventual additional market services (such as water, sanitation, light or market expansion). All members of the MMC have to be co-signers of the account to be opened.
- Market management – all decisions to be discussed and approved democratically by all the traders.

**NGO/Agency**

- On-the-job training for the MMC (on leadership, bank account management), for the traders (on the creation of a market association), and for the MU (leadership, conflict management).
- Advice on gender equality.
- Monthly report to the ABRDP for one year.

**ABRDP project**

- Facilitating the creation of the MMC and MU and monitoring (with appropriate indicators) the activities of the NGO/Agency (see Annex 5).

**Market Unit**

- Auditing the management of the bank account. Making sure that the MMC provides appropriate cleaning and maintenance of the market area.
- In terms of taxes/rent, the municipality will continue to collect the same amount paid before the market upgrading\*. After two years, any increase in taxation has to be accepted by the MU and the MMC.

\*This has to be carefully observed; sometimes the municipality increases the tax just before the market is built, so as to respect the agreement on zero-tax increase.

Source: *Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*



***Are the selected representatives able to manage the market by themselves?***

Usually the stakeholders do not have experience in market management. An important component of the strategy could be providing on-the-job training to the MMC and to the MU for one year.

In most cases, especially in market areas where the stakeholders do not have previous experience in market management, an external agency (such as a private company or local NGO) or advisor will be necessary to accompany the development of the management process for one to two years.

***Is the establishment of internal market regulations necessary?***

This is essential for managing the market and for managing conflicts. Experience demonstrates that when there are rules and all the traders accept them democratically, it is easier to manage conflicts.

The regulations will be prepared by the traders and the MMC in collaboration with some project staff to serve as a facilitator, and approved by the MU. The regulations should be translated into a local language and be made visible and available to all the traders. They will address the following issues:

- gender equality;
- place assignment (e.g. timing, products sold);
- penalty to be paid in case of violation of the rules (e.g. sub-leasing, non-payment, failure to clean, etc.);
- contribution to the MMBA;
- election of the MMC and MU representatives (how long they can remain in office, the minimal percentage of women and their responsibilities);
- cleaning services (responsibility of each trader).

**Box 17: Choice criteria for the final list of users: Arsi and Bale markets, Ethiopia**

- No site can be assigned to sellers of industrial products.
- Permanent women petty traders (those who sell in the gullet) selling local agricultural products have priority. Nevertheless, this group was considered as an initial target group and not the exclusive user of the initiatives.
- The people who have begun growing vegetables in urban/peri-urban home gardens have priority only if they have already started production.

**Zoning:**

- Zoning inside the market shelters: locating the rarest and most requested products (such as local oil, leaves for tella) in places that are most difficult to reach in order to attract customers into the market place.
- Zoning outside the market shelter: the surrounding area has to be used for cereals, industrial products, charcoal, red pepper, sugar cane and by handicraft traders in order to concentrate all the market activity in the areas surrounding the upgraded shelters.
- Depending on the quantity of the products sold, some areas could be shared between two to three traders.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

**Box 18: Market traders: roles and responsibilities, Arsi and Bale areas, Ethiopia**

- The person will use the assigned site (shelter no., place no.) selling only the agreed-upon products. All changes have to be agreed upon by all the other traders and by the MMC.
- The person accepts that if he/she is found selling any kind of products other than the ones agreed upon on *n* occasions, he/she will lose the right to sell inside the shelters\*.
- The person agrees to pay.....for rent (to be used for ordinary maintenance, additional services and future upgrading) and.....for tax (for commercial activity and for use of land). The person knows that if he/she does not pay the tax/rent for three months the person will lose the possibility to sell in that assigned place.
- The person will clean the assigned site and the surrounding area including the drainage channels and the customer crossing.
- The person accepts that the tax could increase annually by.....according to what the MMC will decide.
- The person has the right to be elected as a market representative of the MMC.
- The person will take part in the training programme and the person is interested in creating an organization with other petty traders.

\*The MU of each market will make decisions about these corrective measures.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

**2.8 A TRAINING PROGRAMME**

The proposed strategy for the training programme starts from a concept that learning is a process, not an event, such as a training workshop. An in-service, on-the-job method is suggested to transfer technical learning, to exchange experiences, and to identify the problems in order to ultimately change the trainee's behaviour.

The key to successful on-the-job training is in the attentive and careful selection of the trainer. The on-the-job method requires supervisors who are trained in such skills as teamwork and coaching, and have a commitment to helping others learn, taking into account their tradition, their culture and their local language.

The meeting held for discussing training matters will be an important moment to develop a transparent process, to disseminate knowledge on the project and its objective(s) and to reinforce the sense of ownership. Training is also an important instrument to empower women and to better integrate them into the decision-making process.

Three types of training must be provided:

1. Training of trainers

This is important to clarify all the objectives of the project, the methodology utilized, the guiding principles, the results of the survey and the needs assessment. The training will also provide a clear understanding of all the results expected to be achieved through the training programme.

## 2. General training

The general training programme will be provided through the established structures (the MMC and MU) in order to allow them to carry out their role in a better way. Also the training programme is tailor-made; it is defined according to the specific needs of each market. The issues to be included could be: leadership, communication, social inclusion, social mobilisation, gender equality, conflict management, facilities management and marketing.

## 3. Specific training (for women and men)

The training will be aimed at the different groups with specific tasks. The training is also tailor-made, but usually it deals with the following issues:

- safety and sanitation issues (for the traders) through providing basic information on cleaning, selling and storing, and clear explanations of all the risks associated with an unhealthy environment and contaminated food;
- market association (for the traders) explaining the benefits of creating an association of traders (micro-enterprise or cooperatives) and supporting them to create an organization;
- marketing activity (for the traders) explaining how to improve their commercial efforts, the opportunity to diversify the agricultural products sold, access to market information, the linkages with farmers and middlemen;
- facilities management and maintenance (for the MMC and the MU) explaining how to calculate the tariff plan and how to differentiate the plan according to the different utilization of services;
- bookkeeping, financial management and bank account management (for the treasurer and the members of the MMC).

### Box 19: Training programme in the Arsi and Bale areas in Ethiopia

#### Training in market management

The main training will focus on leadership and communication, bank account management, the infrastructure maintenance of the market, gender issues, social conflict management and marketing activities. The training will be provided to all the members of the MMC and of the MU.

#### Tasks

The consultant/NGO will work in close collaboration with the ABRDP to define guidelines for market management.

The group receiving the training should be market traders. The municipality staff will be informed of and involved in the training.

#### Possible areas of training

- Bookkeeping;
- organizing a registry of market traders, in consideration of the type and quantity of products sold;
- helping the traders to open and manage a bank account for the market's ordinary/exceptional maintenance;
- helping the traders to consolidate the newly created organization;

- establishing roles and responsibilities for all the stakeholders;
- leadership (democratic decision-making) and communication (internally within the group of market traders, externally with other traders and with members of the MU);
- how to identify problems and opportunities to improve the market activity;
- how to set up meetings between the traders;
- conflict management;
- gender equality (in decision-making processes, representatives, etc.).

**Training in creating a market association**

The creation of a traders' association is a new issue for market users and it is quite normal that there be conflicts among the traders. Based on the request of the petty traders, a tailor-made training programme will be necessary. The objective will be to create social capital by forming micro-enterprises or cooperatives among the traders, enabling group members to access financial resources and strengthening the negotiating position of small traders vis-à-vis management of the market.

**Tasks**

The consultant/NGO will undertake a needs assessment of the training curricula.

The target group is market traders. The municipality staff will be informed of and involved in the training.

**Possible areas of training**

- Training needs assessment;
- designing an effective strategy and a tailor-made programme to train the market users;
- helping the traders organize into small micro-enterprises or cooperatives;
- making sure that the focus of the training is on forming associations;
- helping traders to manage the bank account for market maintenance;
- preparing a basic business plan according to the traders' needs, market conditions and opportunities;
- training on local marketing aspects (how to manage the market's activities to reduce losses, the practice of product diversification and how to improve marketing by facilitating direct connections between middlemen, farmers and petty traders);
- sanitation issues (including packaging, transportation and storage);
- gender equality.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

## 3. Monitoring and evaluation system

### 3.1 MONITORING SYSTEM

#### *What is a market monitoring system and why is it important?*

Monitoring is the routine activity that provides regular oversight to the project, through which gaps between what was planned and what is actually occurring are identified and corrective measures proposed. Its purpose is to collect and analyse data and provide information, which management can use to identify and solve implementation problems, and assess progress in relation to what was originally planned.

#### *Who is responsible?*

In the beginning the person responsible for the system will be someone employed by the project; later it can be someone from the MU supported by an external agency/NGO. The person responsible must be trained on how to update the database and analyse the monitoring data in order to suggest corrective measures or additional interventions.

#### *How does it work?*

Starting from a simple baseline, defined during the initial phase, sensitive data has to be collected to monitor impact using selected indicators. Depending on the context, a database programme or a simple data log could be utilized.

Usually a monitoring system needs:

- clear project objectives;
- essential data for achieving each objective;
- well-defined performance indicators able to measure progress towards the objectives.

The market upgrading programme usually has the following specific objectives:

- objective 1: improve the hygiene conditions of the market areas;
- objective 2: decrease the losses of agricultural products after market upgrading interventions;
- objective 3: increase the efficiency of commercial activities;
- objective 4: establish an efficient MMC for the upgraded market;
- objective 5: make the upgraded market more accessible to women petty traders.

The data collection will be based on identified indicators (see Annex 6). For monitoring performance related to making the upgraded market more accessible to women petty traders, the following performance indicators could be considered:

**Table 1. Performance indicators**

Results	Performance indicators	Source of information
The context is favourable to gender inclusion	<ul style="list-style-type: none"> <li>• Decreased violence against women.</li> <li>• Percentage of women in decision-making positions in the local government.</li> </ul>	<ul style="list-style-type: none"> <li>• Focus group discussions among women petty traders.</li> <li>• Informal discussions with male traders.</li> <li>• MMC and MU interviews.</li> </ul>
Empowerment	<ul style="list-style-type: none"> <li>• Changes in women's confidence and their level of satisfaction.</li> <li>• Perception of women/men of women's empowerment.</li> <li>• Number of women market representatives/number of men market representatives.</li> <li>• Women participants in the MMC and MU.</li> <li>• Relationships between the women representatives and the local governments.</li> <li>• Number of the best selling locations occupied by women/number of the best selling locations available.</li> </ul>	
Improved productivity	<ul style="list-style-type: none"> <li>• Percentage growth in daily gross turnover/planned growth.</li> <li>• Number of women's associations/number of traders.</li> </ul>	
Equal access (between men and women) to the market services	<ul style="list-style-type: none"> <li>• Number of women petty traders having access to microcredit system/planned number.</li> <li>• Number of women petty traders that use the market and other services/planned number.</li> </ul>	

### 3.2 EVALUATION SYSTEM

The evaluation is more of an episodic exercise and could be used to examine the programme at a critical point in time (on-going evaluation) or to verify how well the market upgrading project has served its purpose and to draw conclusions, recommendations and lessons for corrective actions and to guide future similar programmes (ex-post evaluation).

If an appropriate monitoring system exists, evaluation is easier. The process of evaluation involves observation, measurement and analysis of the baseline and monitoring system, and it ultimately assesses the success or failure of the project.

The evaluation could be conducted using different methods, the most common of which are:

#### 1. The logical framework approach

- **Relevance:** whether or not the general and specific objectives have been achieved by the market upgrading programme, or if they address the major problems. This entails the identification of the real problems, needs and beneficiaries and how well the initial project design addresses them.
- **Efficiency:** has the project obtained the expected results at the lowest costs and in the least possible amount of time? Focus will be on the quality of the day-to-day management of the budget, the personnel, the risks, the cost and value produced by the money spent.
- **Effectiveness:** the inputs (i.e. the infrastructure upgrading) have been successfully transformed into the expected outputs (improvement of sanitary conditions).

- Impact: long-term results of the market upgrading project.
- Sustainability: this looks at the question of whether the market will continue to function adequately after initial support is withdrawn. Typically sustainability is quite difficult to measure. The most important element in this could be the development of a sense of ownership among the market users and their capacity to manage the market, finance general maintenance now and in the future and continue the market upgrading project by themselves.

## 2. The SWOT analysis

- Strengths: resources or capacities that can be used effectively to achieve the objectives.
- Weaknesses: the faults or deficiencies that impede the achievement of the objectives.
- Opportunities: any favourable situations in the overall environment/context of the market that contributes to the system's ability to fulfil the purposes for which it was implemented.
- Threats and risks: any unfavourable situations or constraints that might cause problems or damage the project output or the development of its process.

This approach combines the study of the internal positive and negative components (strengths and weaknesses) with the study of the factors that are external (opportunities and threats) to their environment. The limitation of this methodology is that it is subjective, but it could be useful as part of a participatory method, where different groups of stakeholders (traders, farmers, the local municipality and others) conduct the evaluation.

### Box 20: A SWOT analysis evaluation of the Arsi and Bale areas in Ethiopia

#### Strong points

- The levels of user satisfaction with market construction are particularly high because of the improved hygiene conditions, the opportunity to sell inside shelters and to store the commodities that decrease product losses. The Asella market traders estimated that they have increased their daily income by 15 percent because of the reduced losses since the construction of the market.
- The pilot initiatives (Asella, Gobe and Robe markets) work as demonstration experiences and stimulate additional demands for market infrastructure from other communities in the Arsi and Bale zone.
- The pilot micro-interventions have been replicated in nine other markets contributing to improve livelihoods by increasing the food security and income generation capacities of petty traders.
- The costs for ordinary maintenance, future maintenance and market cleaning are completely covered by market users without any complaints. Market traders are in the process of opening the MMBA.
- All the target traders are properly utilizing market shelters (160 in the Asella market, 120 in the Goba market and 140 in the Robe market).
- In all the market areas the traders are in the process of creating associations. In most cases the traders are creating micro-enterprises; in Asella they are creating a cooperative.
- The direct project beneficiaries number 2 200; around 80 percent of them are women petty traders of perishable products.

**Weak points**

- The MMC is not working well. The ABRDP has to provide on-the-job training as it did in the market upgrading proposal phase.
- The MFI does not work properly. It has already provided credit for 132 petty traders, but the number of clients has decreased from the first to the third credit cycle. The lack of information on marketing and on how to use the credit makes the credit less effective.

**Opportunities**

- In the Asella, the Robe and the Gobe markets, petty traders created a formal organization and slowly they are developing a sense of ownership for the market infrastructure.
- Other services could be provided in the upgraded market in order to make the markets more attractive.
- The existing horticulture production in the surrounding urban and peri-urban areas could be used as an opportunity to reduce losses, transportation and storage costs.
- Potentially, the markets are expected to be critical in the development of the rural economy and livelihoods in some remote districts, but the 'spill over' effect should not be overestimated. This is in fact a preliminary phase that should lay the basis for a successful functioning market.

**Threats and risks**

- The management of the new market sites have to be followed and monitored in order to prevent the municipalities from strangling the system with the sole purpose of collecting taxes. There is a risk that when the project closes the municipality will hand the place over to the traders of industrial products because they are willing to pay more than agricultural traders (up to Br30-50 per month).
- Disputes may arise between the traders and the town administration if the ABRDP does not facilitate the traders' assignment to sites in the new market. Some municipalities are trying to give the market stalls to unemployed people, which is not in line with the agreements concluded with the ABRDP.

*Source: Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*



## 4. Lessons and recommendations

### ***The context***

If the political context is not favourable to decentralization, community empowerment and gender approach, the market upgrading programme will remain an isolated intervention and the sustainability of the project will be difficult to achieve. The real interest and involvement of all stakeholders, and a political context that facilitates the achievement of the proposed objectives are necessary prerequisites for sustainability.

### ***Market management and social participation***

The municipality cannot be the main and only actor of the market management strategy. It is only one of the stakeholders and its interests, and financial and technical capacities are not adequate for implementing a market upgrading process. In most cases a rather negligible share (if any) of the financial resources obtained through the collection of market fees is redirected to the markets themselves.

The presence of traders in the MMC and the participatory approach to defining project strategies can create awareness and stimulate social mobilisation, but this does not guarantee that traders will play any part in the market decision-making process, which is usually led by the municipality. This leads to a poor sense of ownership which hinders a genuine incentive for traders to optimise the use of market structures. The participation in the decision-making process is effective only when some facilities (maintenance, toilet, electricity, etc.) are managed by the traders themselves. Signing a project agreement directly with the MMC is a fundamental step towards achieving ownership and sustainability.

It is strongly recommended that significant investments be made in soft interventions. On-the-job training and appropriate monitoring systems for market management, creating market associations and improving marketing activities are all essential issues for empowering traders, including women and ensuring the future sustainability of the market upgrading programme.

Petty traders also need access to credit. Dissemination of information about microfinance inside the market area is strongly recommended.

### ***Gender***

Gender inclusion implies more than making a social assessment of the role of women in the market and their degree of exclusion. A specifically focused project line for gender inclusion has to be developed. Women have to become an integral part of the decision-making process through having access to credit, contributing to marketplace assignments, having access to training, and forming an integral part of the MMC. Specific data on their socio-economic conditions have to be collected in order to better monitor the impact of the project.

Even in the context where women are very weak in terms of organization, there are always some female leaders who can play an important role in mobilizing women.

The gender issue is extremely delicate. Always playing the role of a facilitator rather than a promoter is advisable. In a male dominated society, any change in the balance between women and men could become a cause of violence and harassment.

### ***Managing social conflicts***

Ethnic conflict, religious conflict or gender inequality could emerge during the market upgrading project. There is the real risk that the market could remain empty or that the actual beneficiaries are completely different from the intended ones. The role of the facilitator, as a social mediator, is essential in the market upgrading strategy from assigning places up to the monitoring phase.

#### **Box 21: Social conflict management in the Robe market, Ethiopia**

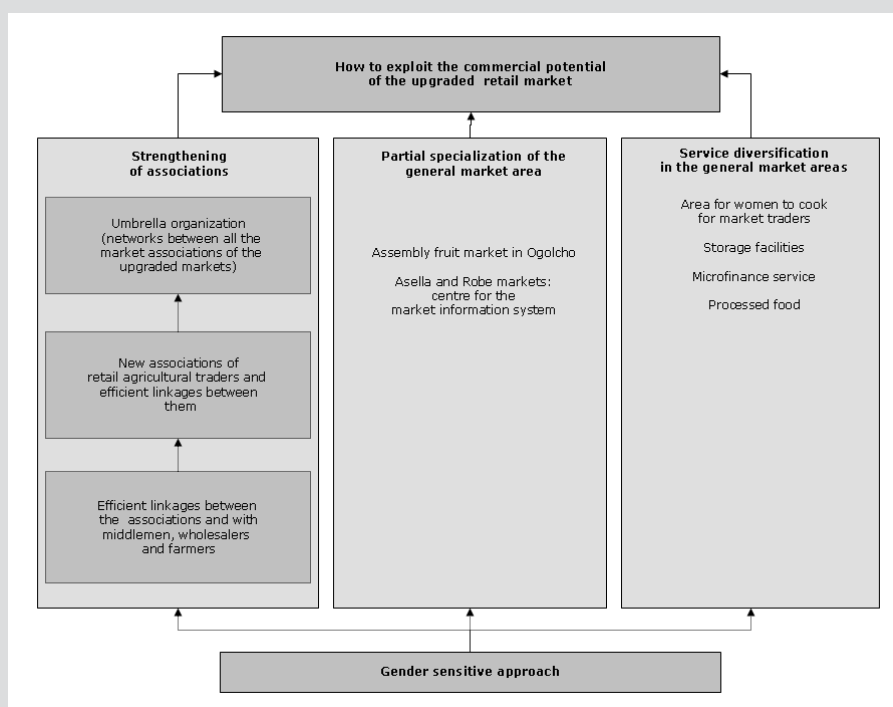
After the Robe market was upgraded, there were some problems in place assignment because of social and religious problems (50 percent of the traders are muslims and the others are orthodox christians). In the first period the market remained empty and only when the ABRDP facilitated the traders' assignments to their market sites and helped the MMC in defining the internal rules did the market start functioning.

*Source: Italian Cooperation.2006. Arsi Bale Rural Development Project, Ethiopia.*

### ***Infrastructure upgrading***

The financial resources of rural market traders and of local governments are usually very limited. Generally upgrading is financed by an external agency with a small, but very important, participation from local government or stakeholders. The potential of cost recovery is very small in justifying such a large disbursement of money. Therefore in this context an upgrading project has to be evaluated on the basis of social and local economic indicators, for example, improving sanitary conditions, reducing product losses, facilitating the creation of associations and a sense of ownership. The upgrading has to be flexible in order to be adaptable to market changes and possible future evolutions.

## Box 22: Upgraded markets: exploiting the commercial potential, Arsi and Bale areas, Ethiopia



The market upgrading programme is a development process that should continually exploit all the potentials of an upgraded market. The creation of a traders' association, the tailor-made on-the-job training and microcredit system, the improvement of the institutional context and an appropriate market management strategy are the necessary conditions for improving marketing activities. On the other hand, all these components have to be considered as a 'starting point' for the market upgrading process; they are necessary but not sufficient for supporting the potential economic development of the upgraded market areas. Some suggestions for future activities could be:

### Strengthening associations

The creation of micro-enterprises and cooperatives could be extended to encompass petty traders of agricultural products (such as the traders of cereals, sugarcane, spices, and small farmers that sell directly to customers on the main market day). Those organizations, together with the existing ones, could try to facilitate linkages with farmers, middlemen and wholesalers in order to improve their marketing activities.

The opportunity to create a network: an umbrella organization among all the micro-enterprises and cooperatives has to be assessed (see Section 2.5).

In the case of the ABRDP, one of the advantages produced by the umbrella organization included more visibility obtained from the experience of the Arsi and Bale areas, which in turn encouraged the extension of the market network.

The umbrella organization also facilitated access to low-cost means of transportation, like a donkey cart, as an important component of the gender-sensitive approach. (In the Oromia region, as in most rural areas, women farmers walk several kilometres to and from the market because hiring trucks is too expensive for them). For instance, facilitating the creation of a low-cost transportation cooperative could be crucial for improving the quality of life and reducing losses caused by inadequate transportation.

#### **Partial specialization of the general market area**

The assembly market (a small area where farmers, middlemen and traders meet during the market days for a couple of hours) exists in each market. It could be improved by facilitating better linkages between traders and producers to reduce transaction costs and ensure a good price. The Arsi and Bale highland upgraded markets did not have a sufficient supply of fruits from the lowland areas such as Shahamane, Shirka and Nazreth. The opportunity to develop an assembly fruit market in Ogolcho, which is located between the highland and lowlands areas, should be looked at because it could serve as a midway point for commercial transactions and storage for these products, facilitating the supply for highland markets.

#### **Market service diversification**

The market has to become more attractive for new customers and new traders by offering new possible services.

Some markets could become centres for collecting and disseminating market information, facilitating the dissemination of price knowledge, information on where and when to collect the commodities and how to reduce transaction costs. The Asella market and the Robe market, as the main centres of the Arsi and Bale areas, could become the centre of the MIS. The traders' association could have the task of collecting and disseminating information to and from all the other market areas. A service like this could encourage more middlemen, farmers and wholesalers to collect market information directly from the market area and, as a consequence, increase the number of transactions.

The MFI could promote the credit system on the main market day by having a small office inside the marketplace. This could give greater visibility to the MFI and could attract more customers to the market area.

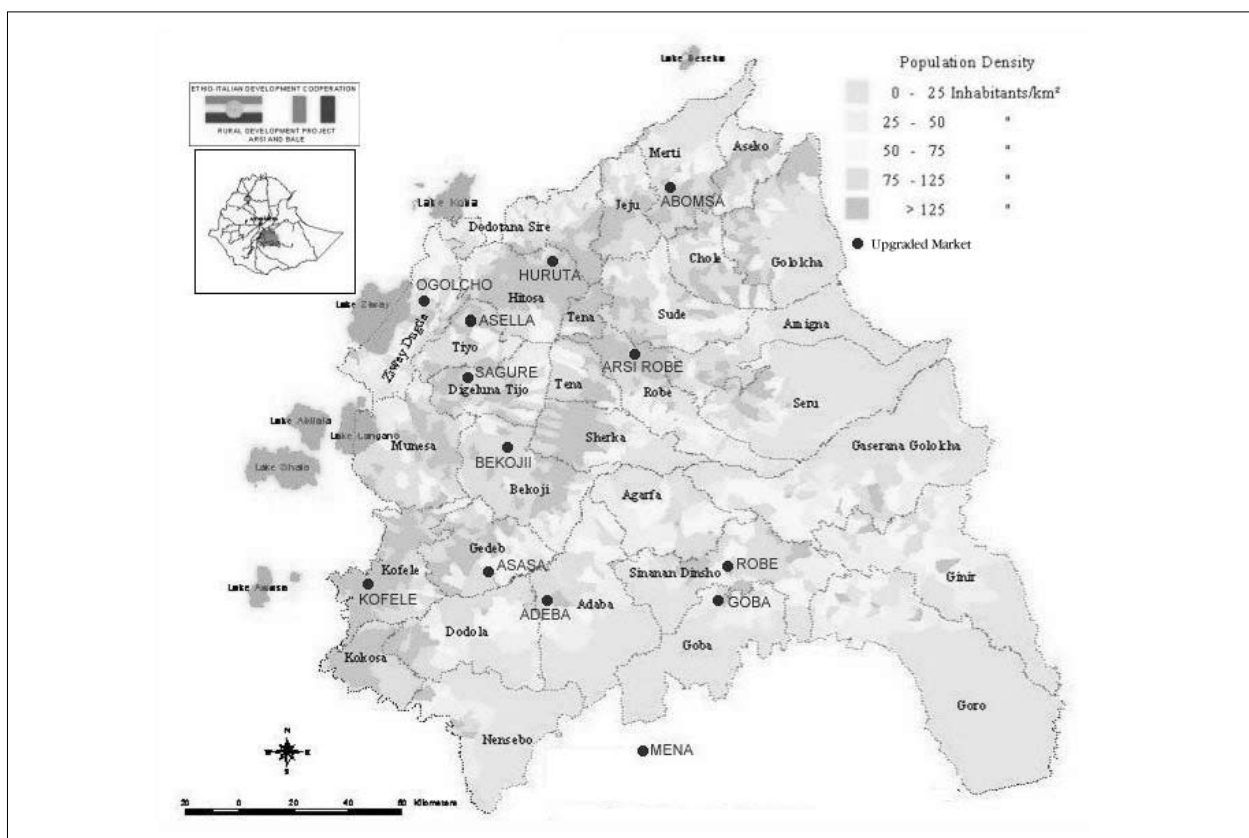
Creating storage facilities in the areas where there is a surplus of production. This could allow traders to save part of their products and try to obtain a good price from wholesalers. The experience in some project places has shown that the storage facilities are a need expressed by middlemen, traders and farmers. In the Huruta market (where seasonally there is a surplus of onions) and in Sagure (where there is a seasonal surplus of garlic), the local micro-enterprises and cooperatives consider storage facilities to be a priority for their business.

The opportunity to create a linkage between some marketplaces and stakeholders interested in developing industrial processed food has to be evaluated. For example, there is a surplus of butter production in Kofele, a surplus of milk in Bekojii and a surplus of honey in Mana that could be used as raw material for agro-industrial processing.

*Source : Italian Cooperation. 2006. Arsi Bale Rural Development Project, Ethiopia.*

## Annex 1

**Figure 12. Upgraded markets in the Arsi and Bale areas in Ethiopia**



(Source: ABRDP)

The Arsi and Bale areas are made up of 60 districts. There are 142 market areas that fall into different general market categories: district, urban, peri-urban and neighbourhood markets.

***What are the infrastructure characteristics?***

Usually, according to the master plan, there is an open-air market of three to four hectares without any facilities. In some cases there are shelters used by the traders of second-hand clothes and several illegal permanent buildings used as housing and storage facilities by wholesalers. The agricultural market is a section of the marketplace and usually the traders have no shelter or at most they have mobile ones.

***What products are sold?***

- Grains, onions, garlic, tomatoes, salad, green pepper, carrots, potatoes, cabbage, spices, salt, coffee, sugar cane, fruit, local oil;
- local alcohol;

- eggs and chickens;
- milk, cheese and butter;
- locally produced handicrafts;
- second-hand clothes;
- charcoal;
- various imported tools (made of plastic, wood or glass).

Meats are not present inside the market area because they are usually sold from butcheries outside the market area.

### ***What are the prevailing constraints inside the market areas?***

#### **Institutional context**

The local municipality is usually responsible for the management of the market area. The finance section, in charge of collecting taxes, is the institution that is more involved in the market. The health section should conduct public health inspections, but generally it is involved only with slaughterhouse activities. No real services are guaranteed, and the cleaning service does not work properly. The assignation of stalls is sometimes on a first come first served basis, other times it is a question of habit.

#### **Infrastructure and facilities**

In all the markets, hygiene is completely neglected. Products are displayed on the ground, even the most perishable ones like dairy products or fresh vegetables; there are few mobile structures and they are used by the richest traders (clothing and industrial product traders). In none of the markets are cleaning services available. In addition, the drainage system is inefficient. During the rainy season, mud and water make it very difficult to sell and cause serious risks of food contamination and disease transmission.

The lack of storage leads to additional daily product losses because the women must transport all of the perishable commodities by donkey or on their backs. Moreover, there is no water inside the market area. In some markets, public toilets exist but they are expensive and usually they are not used.

### ***Who are the market users?***

#### **Farmers (traders of vegetables, fruits and butter)**

They are present only during the main market days and for a limited time. On a market day, they sell their products, buy others, do other business in town, and then leave to go back to their villages. For this reason, they often prefer to sell all of their products to other traders rather than be engaged in time-consuming retail activities.

#### **Wholesalers/mediators**

Their activity is somewhat limited and not very significant. This is caused by the lack of infrastructure, namely storage facilities and effective transportation systems, farmers prefer to go directly to the

market because the scale of their activity is too small to justify the loss in income of selling to wholesalers, and farmers can take advantage of their trips into town to do other things.

### **Retailers**

They generally live in the urban area, but about ten percent of them come from outside the urban area for the main market days. Usually they perform their activity individually because they are unable to identify common objectives and instruments. The scale of their activity ranges from the sale of only one product, usually butter, milk or vegetables, to much more profitable general trading such as spices, fruits and cereals. In any case, the retailers are definitely the most numerous group in the markets and most of them are women.





## Annex 2

### Market categories in the Arsi and Bale areas

Market categories	Total number of markets in ABRDP area	Average parameters (indicative estimates)							Where and how it works	Customer catchment area
		Population served	Area covered	Market with permanent shelters	Capital cost	Daily transaction	Daily gross turnover	Daily tax yield		
		number	ha	number	Br	number	Br	Br		
District general market (Gebea).	50	100 000	4.5	14	500 000	5 000	30 000	100	In the main town, on average twice a week at district level. It is a meeting point for wholesalers, middlemen and retailers. A small area usually operates daily as an urban general retail market.	Woreda (district) where the market is and some surrounding districts.
Urban general market (Gulliti)	37	15 000	3	14	500 000	1 500	4 000	0	In the main town, it operates daily. It is a general retail market. Usually it is a small part of the district market.	Urban and peri-urban area.
Neighbourhood general market	2	8 000	3	0	0	1 000	3 000	20	In some neighbourhoods of the main town and it operates once or twice a week. It is a general retail market.	Some zones of the main urban area.
Peri-urban general market	53	8 000	3	0	0	300	2 000	10	In the secondary district towns. Usually it operates once a week. It is a general retail market.	Urban and peri-urban area.



## Annex 3

### The Asella market: pilot initiative

Asella is the capital town of the Asella *woreda* (district) with 82 000 inhabitants. It is about 175 kilometres from Addis Ababa at 2 430 metres above sea level. The Asella market is the most important market of the Arsi area. It is very centrally located, right on the main road and close to the bus station. The market is a typical central retail market where different products are sold.

#### **Why was the Asella market selected as a pilot initiative?**

Asella is the headquarters of the ABRDP. This situation enabled a convenient location to follow all the phases of the pilot upgrading project and to understand all the constraints involved in replicating the initiative. Moreover, Asella has been rapidly growing over the last five years and it is becoming an important service centre for the Oromia region. The Asella market had the following characteristics:

<b>Asella central market (before the intervention)</b>	
Categories	District market
Location	Very centralised, along the main road, close to the bus station. The area is on a slope, but steps have been built so that the market is on two different levels.
Approximate area	57 200 m <sup>2</sup>
Periodicity	Main market day: Saturday Other market days: Tuesday, Thursday. Daily trading activity is present.
Activities	Wholesale, retail, farmers' market
Building	The market is divided into two main sections. The eastern part which is closer to the main road has permanent buildings, mostly used for wholesaling activities and storage. The western part is an open-air market. Here retailers have no shelter or semi-mobile or mobile ones. Nevertheless, several illegal permanent buildings are present and are used as storage sheds and houses.
Facilities	There is one toilet but it is not used.
Drainage system	A drainage system was built in 1991, but it is insufficient and poorly maintained.
Pavement	There is no pavement inside the open-air market.
Agricultural products sold	Cereals, coffee, sugar cane, spices and salt.
Perishable agricultural product sold	Fresh vegetables: onions (green and red), potatoes, sweet potatoes, pepper (green and red), garlic, carrots, cabbage, spinach, turnip and tomatoes.
Average daily gross turnover for perishable products	Br30 000
Area covered by perishable product traders	2 500 m <sup>2</sup>
Storage for women petty traders	During the night perishable products are stored on the ground wrapped in a plastic sheet.

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**The petty traders of perishable products in the Asella market**


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<b>Traders</b>	<b>Gender</b>	<b>Quantity displayed</b>	<b>Space occupied</b>	<b>Starting capital (Br)</b>	<b>Net Income (Br)</b>
Temporary traders	Women	A bag	0.5 m <sup>2</sup>	20	1-5
Permanent petty trader (selling on the ground)	Women	5-15 Kg	2-3 m <sup>2</sup>	50-100	5-10
Petty traders with mobile kiosk	80 percent Women	15-100 Kg	3-5 m <sup>2</sup>	100-200	10-20

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## Annex 4

### Data collection for a preliminary survey

It is strongly suggested that for collecting information about physical assets, direct observation, informal discussions with traders and key-informants be used.

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#### Physical Assets

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##### *Infrastructures and facilities*

- Number and type of physical structures available in the market areas (buildings, mobile stalls, sales platforms, meat/fish sheds, etc.);
- type of activity in each structure;
- existence of a specific area for farmers or wholesale activities;
- zoning of the area by type of products;
- dimensions of the point of sale for each product sold;
- existence of storage facilities for some/all products;
- existence of an appropriate pedestrian crossing;
- existence of an appropriate drainage system;
- existence of an appropriate road for access to the market;
- crowding level at the marketplace.

##### *Sanitary aspects*

- Hygiene condition of the areas and of the entire structure;
  - existence of appropriate protection from rain and sun (particularly for perishable products);
  - waste disposal;
  - water;
  - toilets and their hygiene conditions.
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For mapping, working with local experts could be the best option.

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#### Mapping

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|--|--|
| <ul style="list-style-type: none"> <li>• Collect copies of all maps (informal ones, master plans, geographic information system database);</li> <li>• verify that the maps are updated;</li> </ul> | <ul style="list-style-type: none"> <li>• conduct a survey if the available maps are not updated (scale 1:500 of the market area including level details). The site map should include all existing buildings (including illegal ones), infrastructure and facilities.</li> </ul> |
|--|--|
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For other information a cross-check between different methodologies is suggested. For the calculation of economic parameters (daily turnover, volumes, etc.) more detailed information is provided in two FAO publications: 'Retail markets planning guide'<sup>4</sup> and 'Planning and designing rural markets'<sup>5</sup>.

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4 FAO. 1995. *Retail markets planning guide*, by J.D. Tracey-White, Agricultural Services Bulletin No. 121, Rome.

5 FAO. 2003. *Planning and designing rural markets*, by J.D. Tracey-White, Marketing Extension Guide No. 4, Rome.

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**Commercial activities**


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|--|---|
| <ul style="list-style-type: none"> <li>• Volume of goods sold by type;</li> <li>• average daily turnover;</li> <li>• seasonal variation of business volume by type and goods;</li> <li>• catchment area for each type of product;</li> </ul> | <ul style="list-style-type: none"> <li>• transportation system used (bus, mid-size trucks, pick-up, animals, etc.);</li> <li>• packaging and storage conditions.</li> </ul> |
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**Market management**


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*Public institution (other organization)*

- Existence of a market management unit or any entity responsible for market management;
  - existence of specific public offices for market management or other offices involved in marketplace activities;
  - key persons at the local government level;
  - amount of taxes on daily yield/products;
  - ordinary maintenance services (i.e. waste management);
  - facilities management (water, toilets, electricity, security) if they exist;
- 

*Traders*

- Existence of a market committee;
  - existence of any association between market traders;
  - the responsibility of market traders for market management (cleaning, security service, maintenance, facilities management, etc.).
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**Socio-economic situation of market traders**


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- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Number of traders per kinds of product sold;</li> <li>• number of permanent and temporary traders per products sold;</li> <li>• number of informal traders per products sold;</li> <li>• traders' catchment areas;</li> </ul> | <ul style="list-style-type: none"> <li>• average initial capital for each commercial activity;</li> <li>• willingness to increase the tax for market upgrading;</li> <li>• daily transactions.</li> </ul> |
|--|---|
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**Farmers and middlemen inside the retail market areas**


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- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Farmers' catchment areas;</li> <li>• type of farmers' commercial activities (retail or wholesale);</li> <li>• type of products sold by the farmers;</li> <li>• presence of farmers inside the market areas (once in a week, daily, etc.);</li> </ul> | <ul style="list-style-type: none"> <li>• number of middlemen in the market areas;</li> <li>• products provided from middlemen;</li> <li>• presence of farmers inside market areas (once per week, daily, etc.).</li> </ul> |
|---|--|
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## Annex 5

# Planning maintenance for market infrastructure

In order to make the market infrastructure sustainable, maintenance activities are necessary. Supposing that the traders deposit Br3 per month (average estimate) in the bank account; Br1.5 will be utilized for construction maintenance and Br1.5 will be utilized for cleaning and paying security guards.

Weekly maintenance: cleaning. All the traders will be responsible for cleaning (i.e. buying the necessary tools, water, etc.). For annual maintenance, consider the following table<sup>6</sup>.

Expected part of the market to be maintained				Actions to be taken	Unit costs		Total cost to construct the relevant part	Maintenance costs	
After 1 year	After 2 years	After 5 years	After 10-15 years		Unit	Unit price (Br)*		For the current year	Savings for years to come
									3 000
	Cracks in cement pavement.			Chiselling the demolished part and re-screeding with cement mortar (1:3).	M <sup>2</sup>	40.00	24 000	2 400	600
	Broken down pipes.			Replace the broken pipe with new one size 8x12 pipe.	ml	50.00	4 000	400	2 600
	Anti-termite painting.				ml	20.00	4 000	200	2 800
	Cracks in concrete drainage pipes edge and joints.			Maintain with cement mortar (1:3).		20.00	10 000	1 000	2 000
		Cracks in stone pavement.		Chiselling the demolished part and screeding with cement mortar (1:3).	M <sup>2</sup>	35.00	50 000	5 000	2 000
		Cracks in masonry foundation.		Chiselling the cracks and re-pointing with cement mortar (1:3).	M <sup>2</sup>	30.00	100 000	10 000	7 000
			Rust on corrugated iron-sheet.	Cleaning the surface and applying two coats of anti-rust paint for the corrugated sheet roofing.	M <sup>2</sup>	25.00	20 000	2 000	1 000

<sup>6</sup> This plan for market maintenance was prepared in collaboration with an Ethiopian contractor, considering yearly costs.





## Annex 6

### A monitoring system

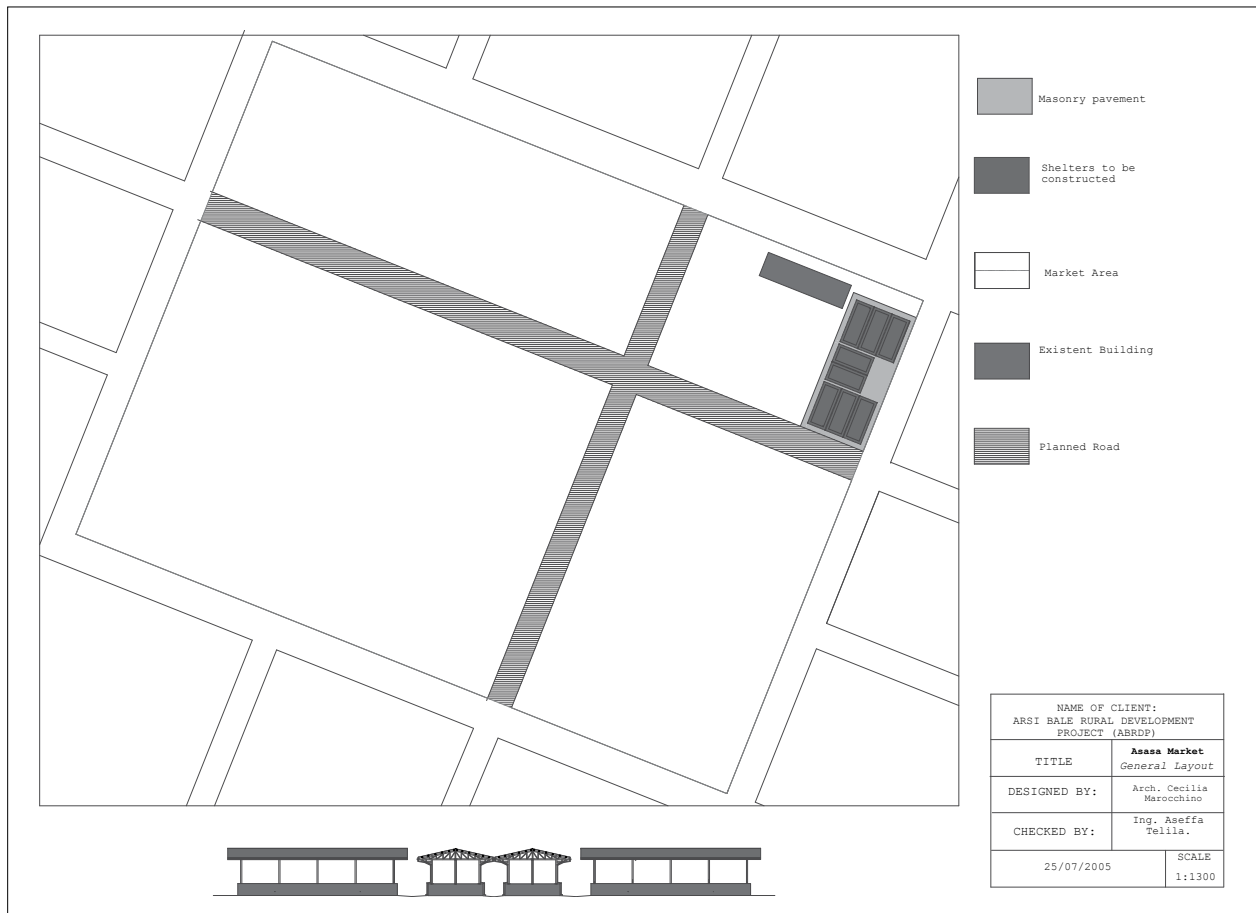
Specific Objectives	Results	Performance indicators	Source of information
1. The sanitary aspects of the market area are improved.	The drainage channel is clean.	<ul style="list-style-type: none"> <li>Weekly garbage collection.</li> <li>Number of traders (NT) that respect the roles and responsibilities in terms of cleaning/NT.</li> <li>The products sold are really protected from the mud, dirty water and sun.</li> </ul>	<ul style="list-style-type: none"> <li>Key informant interviews.</li> <li>MU, MMC interviews.</li> <li>Direct observation.</li> </ul>
	The toilets are utilized and are in good condition.	<ul style="list-style-type: none"> <li>NT that utilize toilets/number of traders.</li> <li>Daily cleaning service of the toilet.</li> </ul>	
	The water facility is utilized in the appropriate way.	<ul style="list-style-type: none"> <li>Number of traders that utilize the water/number of traders.</li> </ul>	
2. The losses of agricultural products decreased after the market upgrading intervention.	Efficiency of shelters, storage facilities or transportation system.	<ul style="list-style-type: none"> <li>Percentage of products lost by type.</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaires to a representative sample of traders.</li> </ul>
3. The commercial activities became more efficient.	Efficiency of the microcredit system.	<ul style="list-style-type: none"> <li>Number of beneficiaries having access to credit/expected beneficiaries.</li> <li>Repayment ratio/expected repayment ratio.</li> </ul>	<ul style="list-style-type: none"> <li>MFI records.</li> </ul>
	Improving the sales activity.	<ul style="list-style-type: none"> <li>Annual percentage growth of the daily gross turnover/expected growth.</li> <li>Annual percentage growth of the number of daily transactions/expected growth.</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaires to a representative sample of traders, middlemen, wholesalers.</li> <li>MMC Records.</li> <li>Community interview.</li> <li>Direct observation.</li> </ul>
	Efficiency of the associations.	<ul style="list-style-type: none"> <li>Number of associated traders/NT.</li> <li>Number of meetings between the traders and middlemen/farmers /wholesaler.</li> </ul>	
4. The upgraded market has an efficient MMC.	Effectiveness of the market representatives.	<ul style="list-style-type: none"> <li>Annual election of market representatives.</li> </ul>	<ul style="list-style-type: none"> <li>Traders' records.</li> <li>Bookkeeping register.</li> </ul>
		<ul style="list-style-type: none"> <li>Number of monthly meetings between the market representative and traders.</li> </ul>	<ul style="list-style-type: none"> <li>Traders interviews.</li> <li>MMC and MU interviews.</li> </ul>
	Appropriateness of tax/rent.	<ul style="list-style-type: none"> <li>NT paying tax-rent continuously/NT.</li> </ul>	
	Effective updating of the commercial data.	<ul style="list-style-type: none"> <li>Appropriate updating of the registry of users, monthly turnover of products, monthly number of transactions.</li> </ul>	
	Efficient maintenance system.	<ul style="list-style-type: none"> <li>Existence of a specific maintenance fund.</li> <li>Amount of money utilized for maintenance (ordinary and future)/planned amount.</li> </ul>	



## Annex 7

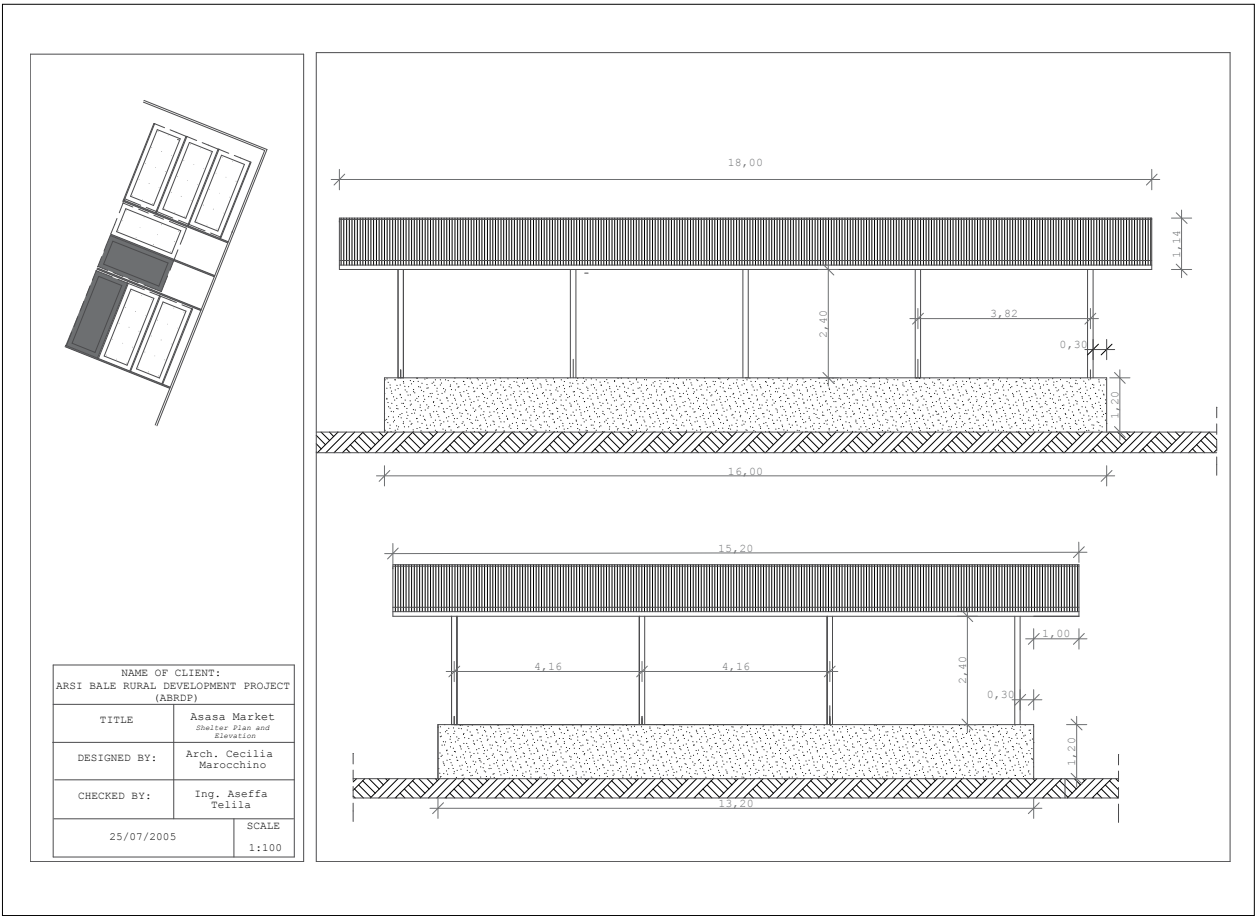
### Market layout plans: Asasa market

#### 1 - General layout



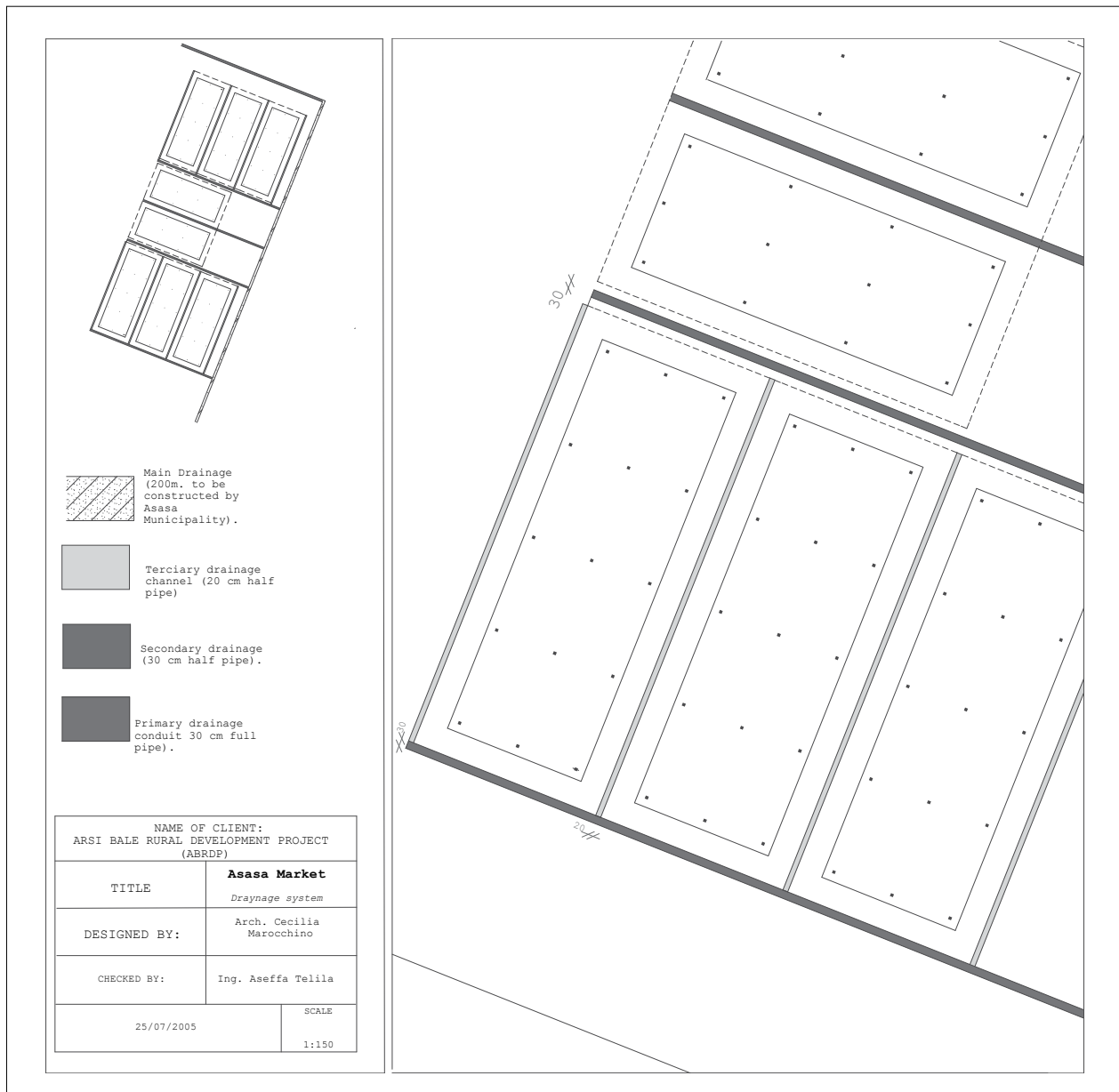
(Cecilia Marocchino)

2 - Shelter plan and elevation



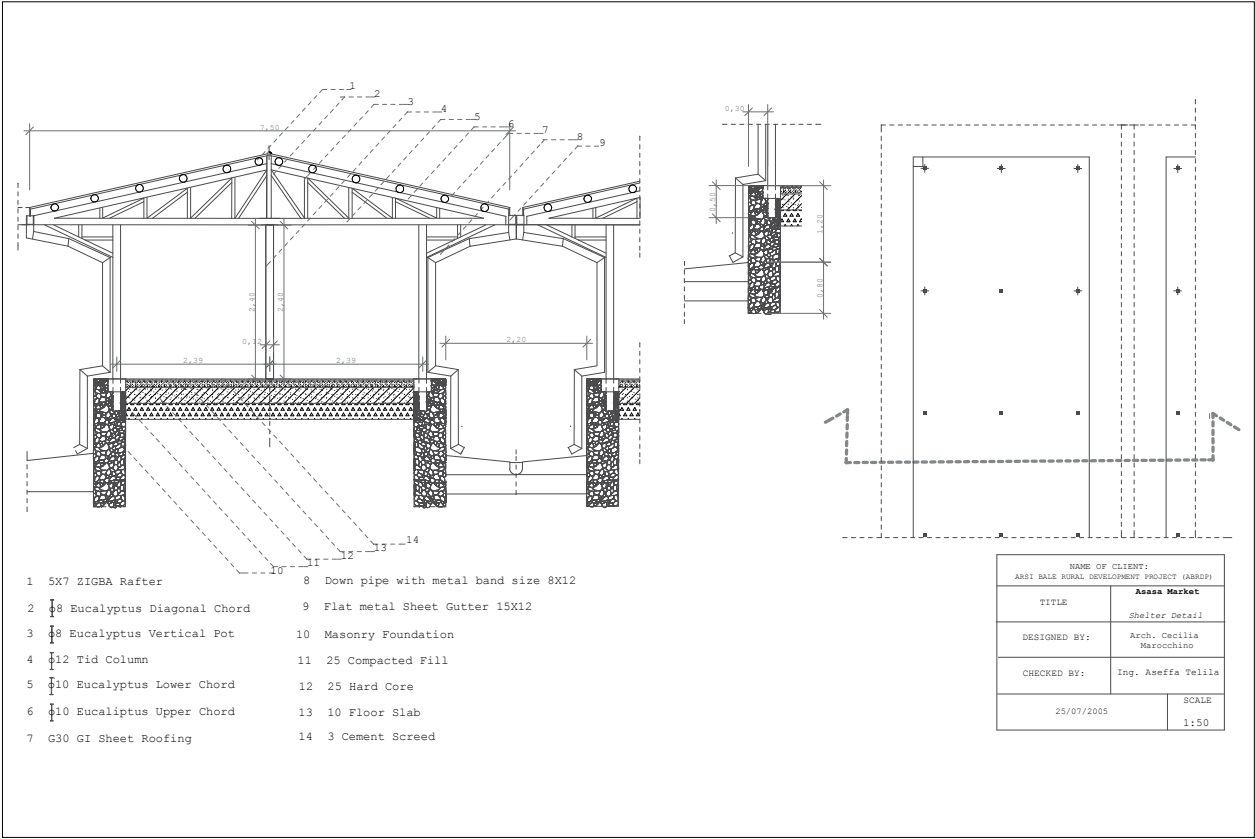
(Cecilia Marocchino)

### 3 - Drainage system



(Cecilia Marocchino)

4 - Shelter detail



(Cecilia Marocchino)

## Suggested further readings

- African Partnership Forum & Nepad Secretariat.** 2007. *Gender and Economic Empowerment in Africa*. Berlin (also available at [www.africapartnershipforum.org](http://www.africapartnershipforum.org)).
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- FAO.** 1999. *Market Infrastructure Planning. A Guide for Decision-Makers*, by J.D. Tracey-White, FAO Agricultural Services Bulletin No. 141, Rome.
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- FAO.** 1997. *Food Transport and Intermarket Supplies in African Cities. Unknown Services to Users, Traders and Consumers*, by L. Wilhelm, Food into Cities collection, Rome.
- FAO.** 1997. *Food Supply and Distribution to Francophone African Cities. Synthesis of the Papers Presented to the FAO-ISRA Sub-Regional Seminar, Dakar, 14-17 April 1997*. by L. Wilhelm, Food into Cities collection, Rome.

- FAO.** 1995. *Retail Markets Planning Guide*, by J.D. Tracey-White, FAO Agricultural Services Bulletin No. 121, Rome.
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### Web references:

Web site for downloading 'Food into Cities collection' publications:  
[www.fao.org/ag/sada.htm](http://www.fao.org/ag/sada.htm)



