
Market monitoring

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Market monitoring is the process of collecting information on specific indicators of the functioning of the market system based on a time schedule (e.g. weekly, monthly). Market monitoring informs IOM staff of the average price of the basket of goods that people are expected to be able to buy, and whether or not the amount of CBI transferred is still adequate. It also ensures that CBI is not causing inflation and helps to monitor the price of a day's labour to assess the wider impact of the project on the local economy.

Market monitoring for CBI involves financial services, technology services and retailers where process, performance and impact are monitored. Relevant sector-specific assessment frameworks (see [Market assessment](#)) are the best resources to aid the development of specific monitoring tools.

Market monitoring often sounds more complicated than it is. The focus should be on the local markets where people use the money they have received. With just a few indicators, the development of the market can be monitored quite easily. For the interpretation of market changes, the local traders and project participants can be asked.

Market monitoring key considerations

- Monitor prices and availability of key commodities in the village and regional market.
- Monitor the quality of commodities and services to ensure programme needs can still be met (this is particularly important for voucher programmes).
- Compare these prices to other sources of information on regional and national prices, in order to assess what other factors may be impacting on price changes.
- Wherever possible, coordinate with other agencies on price monitoring.

If prices are rising...

- Consider whether the CBI is the cause of any of the price increases and if so, reconsider whether the programme is appropriate.
- Consider changing the monthly cash transfer amount to compensate for inflation.
- Look for other externalities that may be the prime drivers.
- Assess whether non-beneficiaries are struggling at the expense of beneficiaries.
- Feasibility/appropriateness of the rebuilding of infrastructure in the post-emergency period.

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