

BIEN VENIDOS

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AL MERCADO
DE
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RAPID MARKET ASSESSMENT AND PRICE MONITORING REPORT

Municipalities of Cuilco and
San Ildefonso Ixtahuacán
Huehuetenango Department Guatemala



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Photo n.1: Household survey, local community, Cuilco, 11.03.21
Photo n.2: Fruit and vegetable stance, entrance of Cuilco market, 10.03.21
Photo n.3: Key informant interviews, Municipality of San Idelfonso Ixtahuacán, 11.03.21



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Summary of crisis, objectives, and methodology

Type of crisis

Aftermath of hurricanes Eta and Iota, in the context of Covid-19 epidemic and chronic food insecurity in Guatemala's dry corridor.

<p>Markets and areas assessed in affected areas</p>	<p>Municipalities of Cuilco and San Ildefonso Ixtahuacán in the Dry Corridor of Huehuetenango.</p> <p>Markets visited:</p> <ul style="list-style-type: none"> • San Ildefonso Ixtahuacán, Huehuetenango • Municipal market of Cuilco, Huehuetenango • Canibal market close to the Mexican border, Huehuetenango • The regional town of Amatenango across the Mexican border • Local shops in the communities of Laguneta Polaja, Caserio Ixcansy and Chupil and close to the Mexican border.
<p>Market assessment objectives</p>	<ul style="list-style-type: none"> • To conduct a rapid price data collection at community and household level to inform food basket and potential transfer values. • To assess the response capacity of markets, including the level of supply and diversity following hurricanes Eta and Iota and the ongoing Covid-19 pandemic based on 3 critical food markets: eggs, white maize, and black beans. • To better understand the level of risks in markets, and to draw conclusions on the appropriateness of market-based interventions in the context of Covid-19. • To support data analysis on appropriate and feasible modalities of assistance to support crisis-affected population
<p>Date of crisis</p>	<ul style="list-style-type: none"> • Eta and Iota: 1-16 of November • Covid 19 epidemic: March 2020-ongoing, • Chronic food insecurity in Guatemala's dry corridor
<p>Date of rapid assessment</p>	<ul style="list-style-type: none"> • Assessment in Cuilco and San Ildefonso Ixtahuacán-7-14 March 2021 • Previous data collection for RAM in Alta Verapaz, Chiquimula, Huehuetenango, Quiche (in draft format)-January-February 2020
<p>Number of semi-structured interviews with traders</p>	<ul style="list-style-type: none"> • 31 semi structured interviews (19 retailers and 12 wholesale-12 women, 19 men) using kobo format. • 33 price monitoring interviews: 8 in Cuilco, 8 in San Idelfonso, 7 in Canibal market, 8 in communities, 2 in Amatenango across the Mexican border
<p>Number of key informant interviews</p>	<ul style="list-style-type: none"> • 2 focus group discussions (3 pers + 4 pers – 4 women 3 men) and 3 key informant interviews (1 woman 2 men) from the following institutions: Food Security and Nutrition Secretariat (SESAN), Ministry of Agriculture, Livestock and Food (MAGA), municipality health workers, municipality officials and municipality women secretariat representative.
<p>Number of households interviewed</p>	<p>A total of 95 surveys conducted, of which:</p> <ul style="list-style-type: none"> • 59 in San Ildefonso Ixtahuacán (caserio Chupil, caserio Ixcansy and caserio Laguneta Poloja) • 36 in Cuilco (Buenos Aires, La Laguna; La Laguna, La Frontera and Tierra Colorada).

1.

Executive Summary of results and recommendations

MARKET FUNCTIONALITY AND MARKET SYSTEMS ANALYSIS:

After the assessment, the data collection team agreed that the main markets of the municipalities of Cuilco and San Ildefonso Ixtahuacán are currently functioning, there is a sufficient flow of suppliers, traders and producers who actively participate in their functions. These markets are integrated or semi-integrated, with the ability to replenish quickly without impacting prices, and have international connections with Mexico.

TRANSPORTATION AND MARKET ACCESSIBILITY:

The average cost of transportation to the municipal capital is USD\$ 1.51 to arrive and USD\$ 1.66 to return to the community. The most common means of transportation used to get there is by pick-up (80%) and autorickshaw (12%). Access to and from communities to local and regional markets is often the weakest link in the market chain, as bad road conditions, expensive transportation, and lack of money to pay for transportation costs can often limit household's ability to access these markets ([see market systems maps on p.16, 17 and 18](#)).

PRICES RECORDED IN CUILCO AND SAN ILDEFONSO:

Prices recorded in the market of Cuilco, Canibal and San Ildefonso were an average of Q125 for maize and Q425 for beans and 1QTQ per egg between 9 and 11 March 2021. While for beans the prices are comparable to those reported at national level, the price for maize is lower than the one last reported by FEWS NET and MAGA in February in the main market of La Terminal in Guatemala City. Based on prices found in the markets and reported by families, ACH has designed a basic food basket adjusted to the rural context of San Ildefonso and Cuilco ([see annex 2 p.38](#))



Photo n.4: Fruit and vegetable seller, entrance of San Ildefonso market, 10 March 2021

PRICE FLUCTUATION:

Traders report that maize and bean prices are slightly above the previous year and five-year average but are still within the usual ranges. The major price fluctuations which occurred during the past year were driven by a combination of normal seasonal trends linked to the seasonal calendar, COVID-19 related movement restrictions, fuel prices, cross border price fluctuations between Guatemala and Mexico and the immediate impact of hurricanes Eta and Iota. In all three markets, traders explained that markets are supplied both postrera harvests, stored grain, and formal and informal imports from Mexico.

CHOICE OF MARKETS AND DIVERSITY OF FOOD PRODUCTS:

Most of the community shopping is **done in local and municipal markets where a great variety of products can be found, especially on market days**. Both households in San Ildefonso Ixtahuacán and Cuilco also buy a **third of their food in community stores**. The **choice of market is different depending on food products**. For instance, of those households that consumed eggs, 70% bought them in local stores in the community, 21% indicated that it comes from their own production and 9% bought it at the market. But 72% of households bought black beans in the market, 19% consumed beans from their own production, 5% bought them in the community.



OPPORTUNITIES AND PREFERENCES FOR MARKET-BASED INTERVENTIONS-COMMUNITY CONSULTATION

The team used the RAM's "Conclusion tree to assess market response capacity" tool to reach conclusions regarding appropriate delivery modality (see annex 1. P. 36). What they found was that given the functioning supply chain, variety of products and loss of household resources following the hurricanes and pandemic, the use of CVA is considered possible in this context. Other components were also assessed to determine the feasibility of CVA programs, such as lessons learned from previous programs, risk analysis, and consultations with FSPs. Evidence suggests that CVA is often what communities prefer, and that this modality is particularly beneficial to women.



RISK ANALYSIS AND MARKET-RELATED CONSIDERATIONS THAT REQUIRE ATTENTION OR FURTHER ANALYSIS:

In any choice of delivery modality, solid mitigation measures will need to be implemented **to limit risks related to the Covid 19 pandemic and to anticipate barriers of access, such as limited transportation to and from communities**. This is particularly important for most vulnerable groups, such as people with disabilities and the elderly. It will also be important set up regular price monitoring at municipal and community level.



RISK MITIGATION MEASURES AND PROJECT DESIGN:

To mitigate risks related to Covid 19, **Communication with Community plans should be developed** to inform beneficiaries about COVID-19, (consequences, symptoms, prevention measures), before visiting bank branches. Organizations should also **mobilize their staff and work closely with COCODE and financial services** to monitor prevention measures on the day of delivery of money transfers. Organizations should **factor in transportation in transfer costs** and work closely with municipalities and communities to identify and support safe and appropriate transportation options.

2

Methodology and objectives of the assessment

1.1 Methodology

This rapid assessment of markets and prices was based on an adapted version of the IFRC's [Rapid Assessment for Markets](#), elements of the [EMMA toolkit](#)'s market system approach and the consortium of NGO's price monitoring format. It builds upon previous market consortium-led monitoring efforts which include a harmonized-market monitoring exercise in Alta Verapaz, Chiquimula, Huehuetenango, Quiche in February 2021 currently in its draft version. The methodology was chosen to give a basic and rapid snapshot of the capacity of markets to provide people with food products in the aftermath of hurricanes Eta and Iota and a context of Covid 19 epidemic and chronic food insecurity. **3 critical food products were chosen to assess the response capacity of the market eggs, white maize, and black beans.** The team chose to focus primarily on food products because this assessment was part of a food assistance proposal in Cuilco and San Idelfonso. Those three products were then selected considering their predominance in the diets of communities, information gaps on price fluctuations and priorities for intervention. Information was also included regarding transportation costs and wider expenditure data in Guatemala (see annex 2 for further information on expenditure, gap analysis and minimum expenditure baskets).

1.2 Assessment objectives

- 1 To conduct a **rapid price data collection** at community and household level to inform food basket and potential transfer values.
- 2 To assess the **response capacity of markets, including the level of supply and diversity following hurricanes Eta and Iota and the ongoing Covid-19 pandemic.**
- 3 To better understand the **level of risks in markets,** and to draw conclusions on the appropriateness of market-based interventions in the context of Covid-19.
- 4 To support data analysis on **appropriate and feasible modalities of assistance to support crisis-affected population.**



Photo n.5: Enumerators receiving a security briefing on Covid-19 during their training in ACH office, 08 of March 2021 Cuilco Huehuetenango.

PHASE 1

Definition and content of the assessment. To define the scope of the assessment, two participatory meetings were held between CashCap and ACH on 05 and 06 March 2021. It was decided to follow an adapted version of the methodology defined in the RAM “toolbox”, and its 5 phases divided in 2 weeks:

1

Phase 1: Definition and content of the assessment, consolidating tools (2 day)

2

Phase 2: Gathering of information on households, prices, markets, critical products (4 days)

3

Phase 3: Analyzing market information (2 days)

4

Phase 4: Compiling findings in the final report (2 days)

5

Phase 5: Planning further monitoring of prices and market actors (to be decided jointly with the Cash Working Group)

A joint market assessment exercise in the consortium was already underway, and it was therefore decided to use a harmonized methodology to use similar tools, compare the market system in interest with data available in the region and with other areas of Guatemala. Data on household expenditure, access and use of market and preferences in the household survey was included to an ongoing needs assessment to be able to capitalize on ongoing data collection and availability of enumerators.

PHASE 2:

Information gathering on physical markets and critical products. For the collection of information, the group chose a mixed methodology:

- 31 surveys with traders, of which 12 wholesalers, 19 retailers. These included 12 market stalls in the municipal and local markets, 10 stores outside the market and 9 small shops in the communities.
- 33 price monitoring surveys (22 products): 8 in Cuilco, 8 in San Idelfonso, 7 in Canibal market, 8 in communities, 2 in Amatenango across the Mexican border.
- 2 group and 3 individual key informant interviews were conducted with informants including 2 Food Security and Nutrition Secretariat (SESAN) monitors, 3 Ministry of Agriculture, Livestock and Food workers, 2 health workers, 2 municipality officials and one representative of the women secretariat in Cuilco.
- Information on household expenditure, market access and preferences from 95 household surveys: 59 in San Idelfonso Ixtahuacán (caserío Chupil, caserío Ixcanse and caserío Laguneta Poloja) and 36 in Cuilco (Buenos Aires, La Laguna; La Laguna, La Frontera and Tierra Colorada).
- A compilation of secondary data prior to the fieldwork and a review of past market studies in the region and the country, including the previous price monitoring of the consortium in the Dry Corridor ([CA4 price monitoring system, ECHO SAN](#)).

For the work in the field, the team that participated in this study was made up of one team leader (CashCap technical advisor), 2 enumerators for market surveys (ACH) and 5 enumerators for household surveys (ACH).

PHASE 3:

Analyzing market information. The coordination of information gathering, and report writing was done jointly by CashCap and ACH. Market flow and market systems maps were created based on the information gathered during field visits and interviews with the support of the technical firm [GIS4Tech](#).



1.3 Limitations:

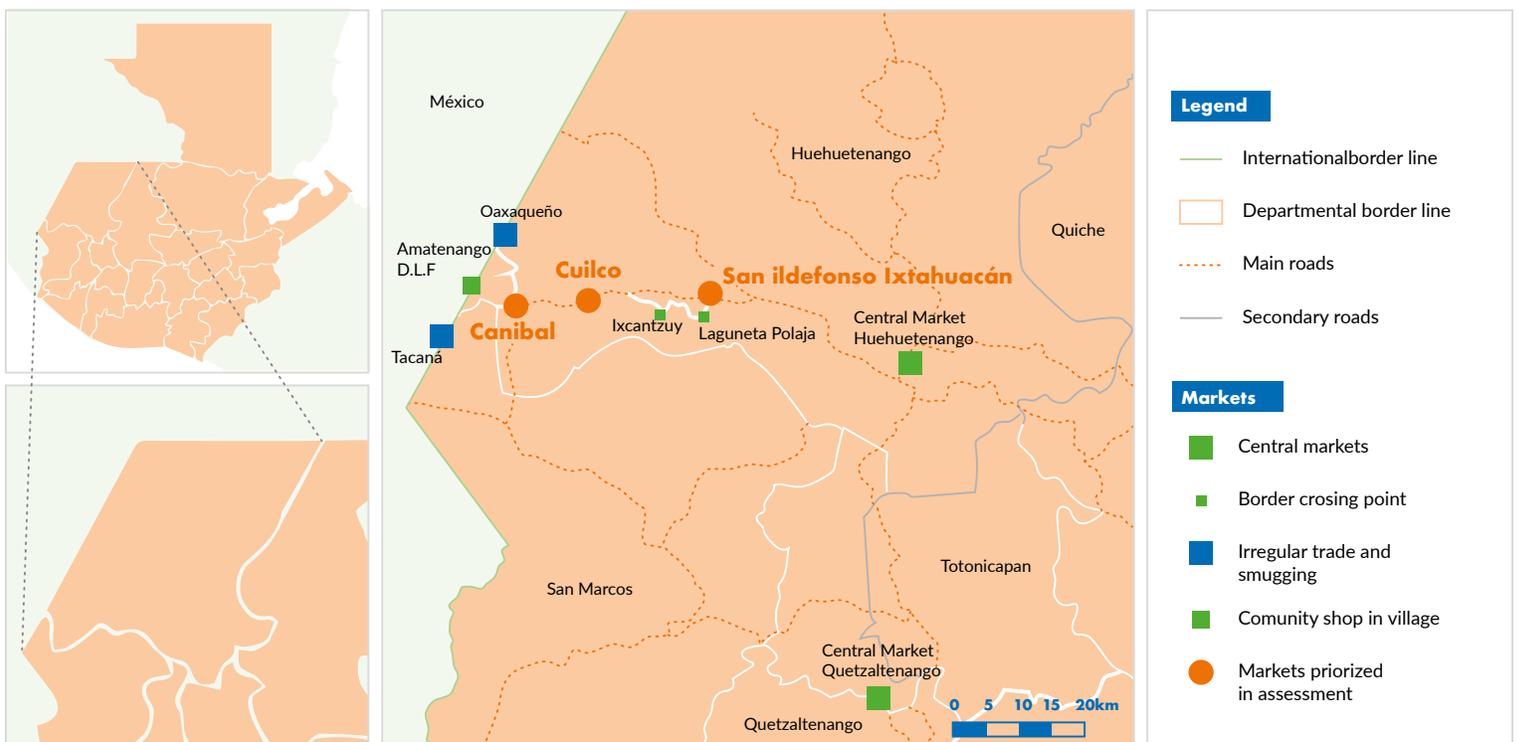
- Given that most data collection, processing and analysis was done within a week, further information will need be collected at a later stage to consolidate the main findings.
- The number of interviews did not aim to be representative at a statistical level, findings are qualitative and are designed to identify trends. These do not include information about volumes of products available in the markets.
- It was not possible to carry out the same number of interviews for each type of retailer, information on price needs to be corroborated with secondary data.
- Time did not allow the team to analyze in detail each critical product. More information is required on production of eggs, beans and maize and possible price changes in 2021.
- While financial service providers Banrural and Tigo money are present in the area and have been used for PTM in the past, further information is needed to determine whether they have the capacity to attend to a growing number of clients while maintaining Covid-19 biosecurity protocols.

4 markets were visited and monitored during the assessments:

- Cuilco and San Idelfonso municipal markets (in red on the map)
- Canibal market next to the Mexican border (in red on the map)
- Shops in 4 local communities (see Ixcantzey and Laguneta Polaja on the map)
- The regional town of Amatenango across the Mexican border

The markets of Cuilco, San Idelfonso and Canibal were selected as they are some of the major marketplaces where communities shop in Cuilco and San Idelfonso. They are also suppliers to smaller shops and villages in the region. Community shops were visited to compare availability of product and prices between municipal markets and villages. The regional town across the border was included in the assessment to compare prices between both countries and better understand formal and informal trade between Guatemala and Mexico.

MAP 1: MAP OF MARKETS VISITED DURING THE MARKET ASSESSMENT:



Source: Adapted by Alice Contreras using a March 2021 map produced by CashCap and GIS4tech

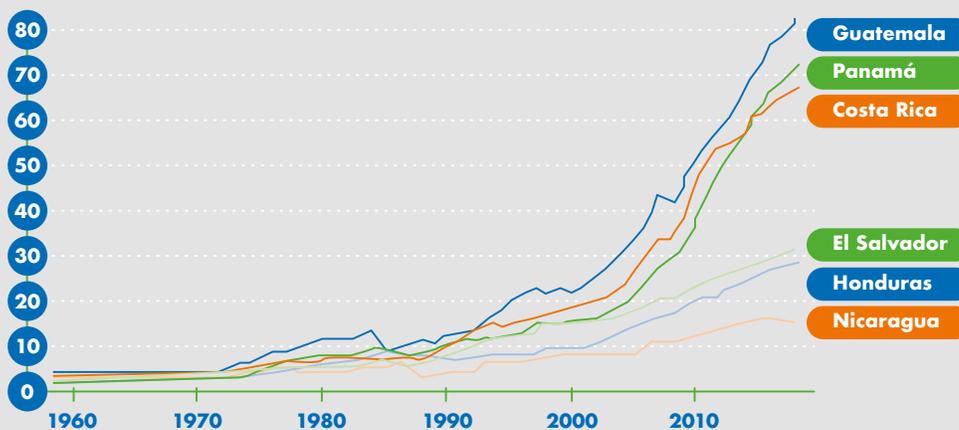
2

Introduction: Macroeconomic indicators and livelihood in Guatemala's dry corridor



MACROECONOMIC INDICATORS:

With a GDP of 76.1 billion USD in 2019, the Guatemalan economy is the largest and most diverse in Central America. It has had a solid performance, with moderate growth rates of 3.7 % on average in the last ten years ([World Bank, 2021](#)). Until 2020, Guatemala experienced economic stability due to a combination of prudent fiscal management, inflation mitigation measures, and a floating exchange rate. Agriculture, livestock, forestry and fishing (31.9%), wholesale and retail trade (26.9%) and manufacturing industries (11.5) are the largest economic sectors in Guatemala according to the National Institute of Statistics ([INE, 2019](#))



Source: World Bank national accounts data and OECD National Accounts data files ([World Bank, 2021](#))

POVERTY, INEQUALITY, AND ACCESS TO SOCIAL PROTECTION:

This economic stability, however, does not translate to reduced poverty and inequality. When measured by its GDP per capita (US\$ 4,619 in 2019) ([World Bank, 2021](#)), Guatemala is the fifth poorest economy in the Latin America and the Caribbean (LAC) region and has the sixth highest rate of chronic malnutrition in the world. Guatemala has one of the lowest central government revenues in the world (11 % of GDP on average in recent years and an estimated 9.7 % in 2019). This limited revenue also limits government capacities for public investment and restricts both the quality and coverage of basic public services, from education and health to access to water. The percentage that the average household in the dry corridor spends on food is above the Latin American average, and for the poorest households, its significantly higher. This reality reflects the high level of vulnerability within the country, as any food price shocks will have a direct impact on most households.

LIVELIHOODS IN THE DRY CORRIDOR:

According to a 2019 study of vulnerable households in the dry corridor undertaken by the Consortium of NGOs, 81% of households surveyed have a single source of income. The main sources of income across the dry corridor are: agriculture day labor (31%), non-agricultural day labor (26%) and the production of basic grains (21%) ([Consortium of NGOs, November 2019](#)). Only a low percentage (5%) of households consider coffee production to be their main source of income (5%). This low percentage may be linked to the “coffee rust” which has plagued the coffee industry in Central America since 2012—resulting in significant decreases in coffee production as well as demand for the labor associated with it. The economic shock caused by coffee rust has forced small holder coffee farmers, daily laborers, and others associated with the industry to W other sources of income. Approximately 6 percent of households rely on other sources of income, such as petty trading, commerce, construction labor, salaried work, remittances, small animal husbandry (poultry, pigs) and selling prepared foods.



SEASONAL WORK, IRREGULAR ACCESS TO INCOME:

Access to seasonal agricultural work is unpredictable for these households. Approximately a third of the households (30%) engaged in agricultural work had access to an average of three days of work per week, while one in four households (25%) had access to two days per week. Another third of the households (33%) report that their main source of income is as a agricultural day laborer, with an average of four to six days of work per week and only 4% work seven days a week. The trend is that households are becoming much less dependent on producing and selling their own crops (27% of annual household income), and more reliant on seasonal labor and other income generating activities to make ends meet—especially in Huehuetenango. There is also increasing reliance on remittances to buoy the household income; a trend which suggests that more former small holder coffee farmers are migrating elsewhere in search of work.

SOCIO-ECONOMIC IMPACT OF THE COVID-19 EPIDEMIC:

COVID-19 further exacerbated the existing socio-economic vulnerabilities of Guatemalans and had disastrous effects on the economy and food security throughout the country ([ICEFI, 10/2020](#)). By March 2021, the economy is showing signs of recovery, though social distancing and biosafety measures are still being applied. In the second half of January 2021, the national COVID-19 infection rates sharply increased leading the government to reimpose restrictions on commercial activity—e.g., reduction in hours of operation of shopping centers, markets, supermarkets, neighborhood stores and restaurants. However, by the beginning of February, businesses resumed their normal business hours but with greater observation of social distancing and other biosafety measures.

In San Ildefonso Ixtahuacán and Cuilco, health workers describe what they call an “epidemiological silence” which they say makes it nearly impossible to know the extent of the spread of the virus in their region, because of very limited testing, a general lack of trust in government messaging around the pandemic and its prevention, and the overall reluctance and/or fear of people to report symptoms of COVID-19.

CLIMATE CHANGE AND ITS EFFECTS ON LIVELIHOODS AND MARKETS:

Guatemala is highly vulnerable to climate change and the economic and social impacts that it imbues. Dry corridor communities have borne the brunt of climate change, where consecutive years of drought, erratic and unpredictable rains, and flooding events have disrupted food production, livelihoods, and market systems—particularly for maize and beans—the two staples for rural households in the region—which depend heavily on regular rains ([Evaluación de daño, MAGA 11/21](#)).

IMPACT OF HURRICANES ETA AND IOTA (NOVEMBER 2021):

While Eta and Iota arrived in Guatemala as tropical storms, their cumulative damage was still catastrophic. The government of Guatemala estimated that more than 1.8 million people were directly affected by the storms, which came in quick succession of each other, left nearly 220,000 people without shelter and 158 people missing or dead (CONRED). The economic losses caused by these storms is still being quantified. According to Guatemala’s Secretariat of Planning and Programming of the Presidency (SEGEPLAN), the damages, losses and additional costs incurred by Eta and Iota amount to approximately 6 million Quetzals—which is comparable to Guatemala’s Ministry of the Interior and the Economy entire 2020 annual budget ([SEGEPLAN, 01/21](#)). The most affected crops were corn, beans, plantains, bananas, tomatoes, onions and broccoli, as well as the two important export cash crops of cardamom and coffee, which impacted global prices as well. Bean prices had already spiked in mid-2020 due to COVID-19 and increased again further following the storms. While bean prices increased by 30 percent due to the storms, they have since stabilized, though still slightly higher than the five-year average. ([Evaluación de daño, MAGA 11/21](#)).

3

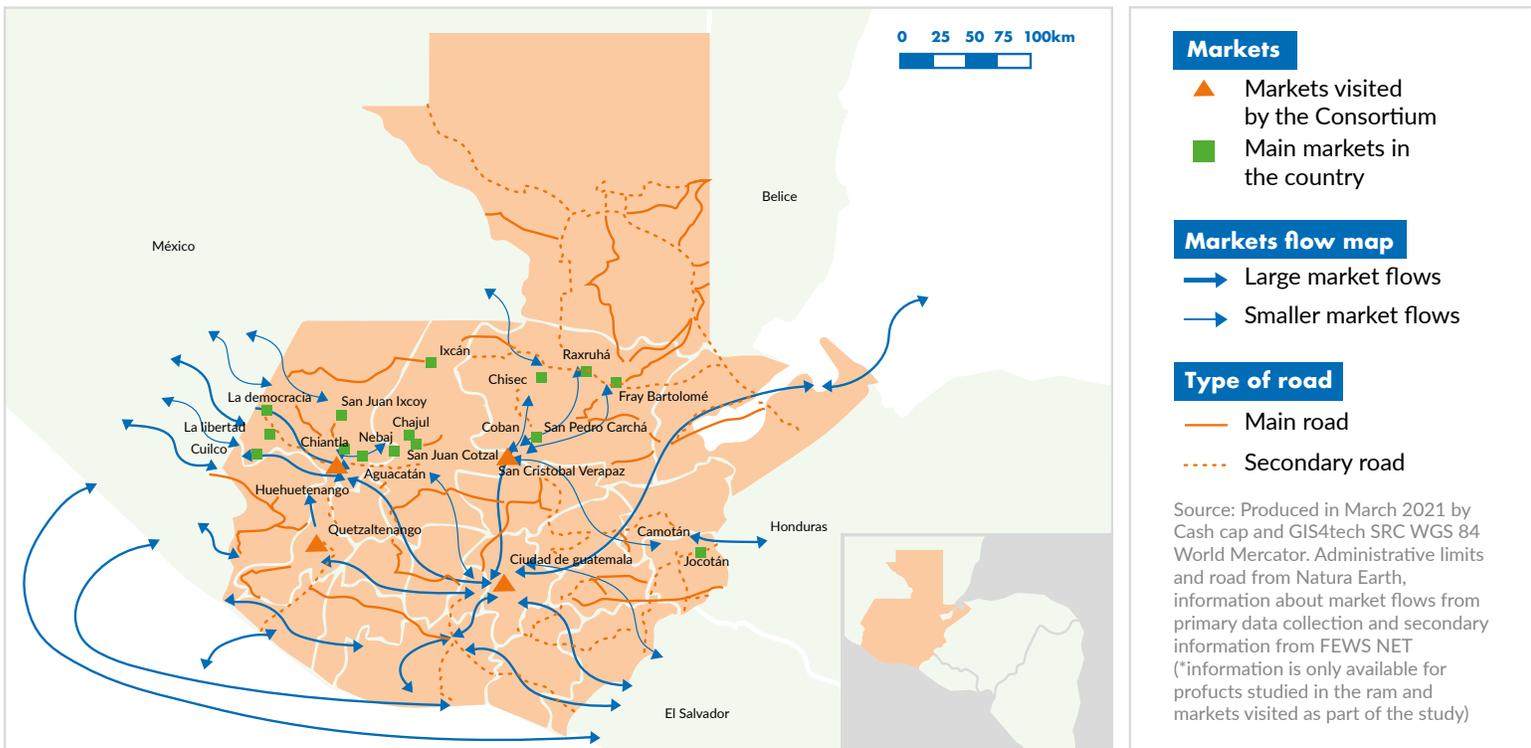
Market flow and market systems analysis

3.1 Level of market integration in Guatemala:

Previous studies have shown, and data collection has confirmed that in Guatemala, markets tend to be well integrated from the municipal to the regional level in Mexico, Honduras and El Salvador, and from the regional to the capital of Guatemala City or other major markets ([Goal PCMA, 2019](#), [PCI, 2018](#), [FEWS NET, 2020](#)). As shown in the market flow map on page 13, products flow through the main roads across the countries to municipal markets and across other Central American countries. In GOAL's PCMA market assessment in Zacapa for instance, market systems for both maize and beans in this region were found to be integrated, with a strong capacity for expansion. There were adequate levels of competition with no significant power situation, and prices were determined by the wholesale market in zone 4 of Guatemala City ([Goal PCMA, 2019](#)).

If a crisis does not directly affect traders, their storage unit or access roads, municipal or departmental markets are generally able to meet the needs of the communities. At the same time, markets are directly or indirectly supplied by maize, beans, eggs, and other products by formal and informal imports from Mexico. And not including Mexico, Guatemala is also the main maize producer in the region, contributing almost half of total regional production.

Access to and from communities to local and regional markets is the weakest link in the market chain, as bad road conditions, expensive transportation, and lack of money to pay for transportation costs can often limit household's ability to access these markets ([see market systems maps on p.15, 16 and 17](#)). This is often the cases during climate related disasters where roads can be cut for weeks or even months following an event.



Source: Adapted by Alice Contreras using a March 2021 map produced by CashCap and GIS4tech



3.2 Market systems analysis: Cuilco and San Ildefonso Ixtahuacán

This overall dynamic also applies to Huehuetenango, and more specifically to market systems in Cuilco, San Ildefonso Ixtahuacán and Canibal. In the case of black beans, for instance, there were many supply routes and sources mentioned by traders and key informants. While some had contacts directly with national producers, others relied on wholesalers from Quetzaltenango, Cuilco, or regular and irregular trade routes from Mexico coming through Canibal market or directly to municipality markets from the Mexican border.

Some mentioned “vendedores ruteros”, truck drivers who act as intermediary, travelling to community stores to supply communities with products from regional wholesalers or directly from Mexican source markets. While some power dynamics between wholesalers were observed and require further investigation, the This will need to be factored into risk assessments and the development of mitigation measure.

The **main shopping day** according to the households interviewed in Cuilco is Friday and Saturday, where 67% of households indicated that they shop weekly and 33% indicated that they shop biweekly; while in San Ildefonso Ixtahuacán the main shopping day is Sunday, with more than half of the households 53% that shop weekly, 34% that shop biweekly, 10% that shop monthly and 3% indicated that it depends on the availability of money.

On these days, communities will **use pick-ups to go to markets**, and sometimes organize group transportation from communities to and from their villages (due to high transportation costs and limited or irregular public transportation).

Eta and Iota had an impact on blocking **access routes** to markets for several of the communities included in this assessment. However, key informants report that access was only affected for most villages for the first few days or weeks after the disaster – the time that communities were cut off was short enough for the impact to be limited, and for commerce to resume.

MARKET FLOW MAP N.3: CUILCO, AND SAN ILDEFONSO IXTAHUACÁN



Source: Adapted by Alice Contreras using a March 2021 map produced by CashCap and GIS4tech

4

Crisis impact on the market chain: Market Systems mapping

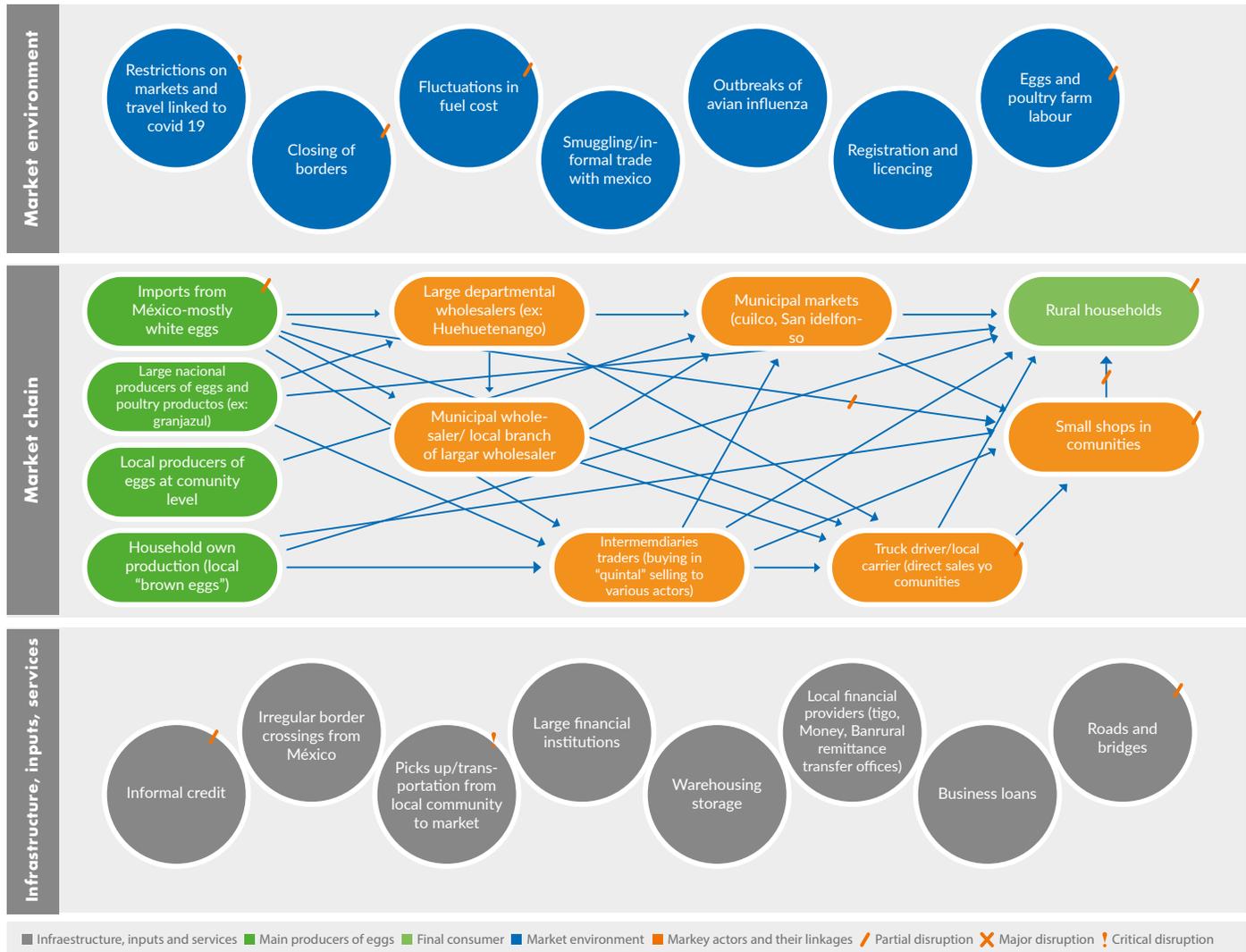
The market systems for the three critical products selected for this assessment are graphically represented by three linear components in the maps that follow: **the market chain; the supporting infrastructure and services; and the external environment**. Market system mapping was done in two steps: The first step consisted of mapping the market system as it functions during 'normal times', before drawing a new market map showing partial, major and critical disruptions. For the purpose of this report, **only the second step of the market system mapping is shown to account for the effects of both Covid-19 and the hurricanes on the market system** – This shows how these shocks affected the different market actors and the exchange between them; how these affected the infrastructure and services the market actors depend on; and the framework of the market system. Signs and symbols are used to indicate market actors, components, and connections that have been partially or completely damaged.

In these maps, the team identified several parts of the market chain that were affected during the hurricane and the pandemic:

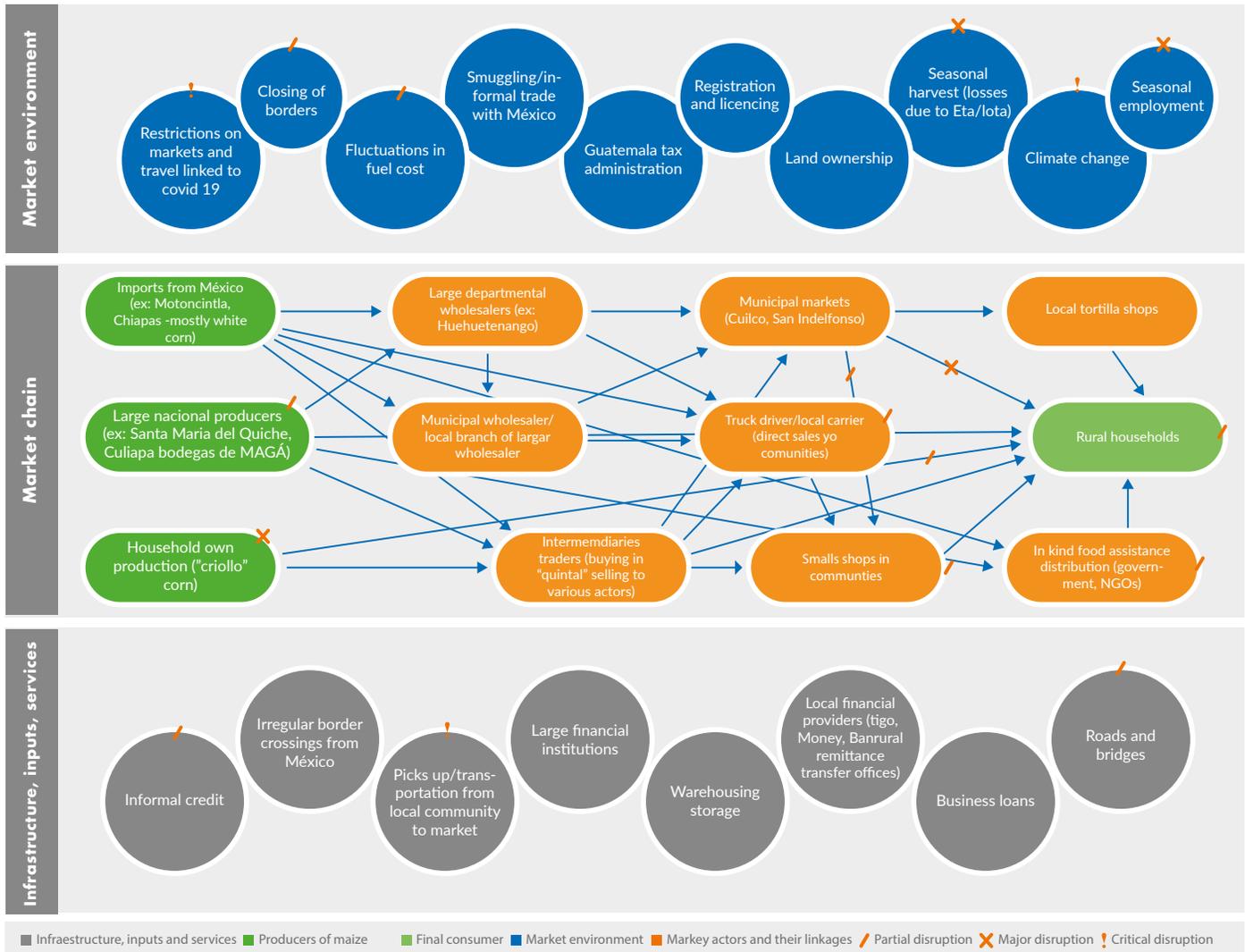
- In terms of **external environment** and as will be discussed in the following sections, previous restrictions on markets, closing of borders and disruption to seasonal employment patterns were significantly altered throughout the year to the Covid-19 epidemic and containment measures. While most of these constraints are no longer affecting the market, their impact on household purchasing power is still very present. Climate change, climate related disasters and fuel costs are underlying factors that will continue to affect the market chain and purchasing power of communities for years to come.
- Regarding the **market chain**, the assessment concluded that the market is currently functioning at a level comparable to “normal times”, with many different market actors, ranging from large international wholesalers to regional distributors and transportation companies travelling to markets and reaching communities. However, elements such as household purchasing power and transportation limit household’s ability to access basic services. These obstacles have always been an issue in the region but were exacerbated in 2020 and 2021 because of the Covid 19 epidemic, hurricanes and loss of purchasing power.
- In terms of key **infrastructure, inputs, and services**, crossing modalities from Mexico, access to formal and informal credit, access to transportation and financial service providers are key for the market chain to function adequately.



4.1 Market systems mapping for eggs

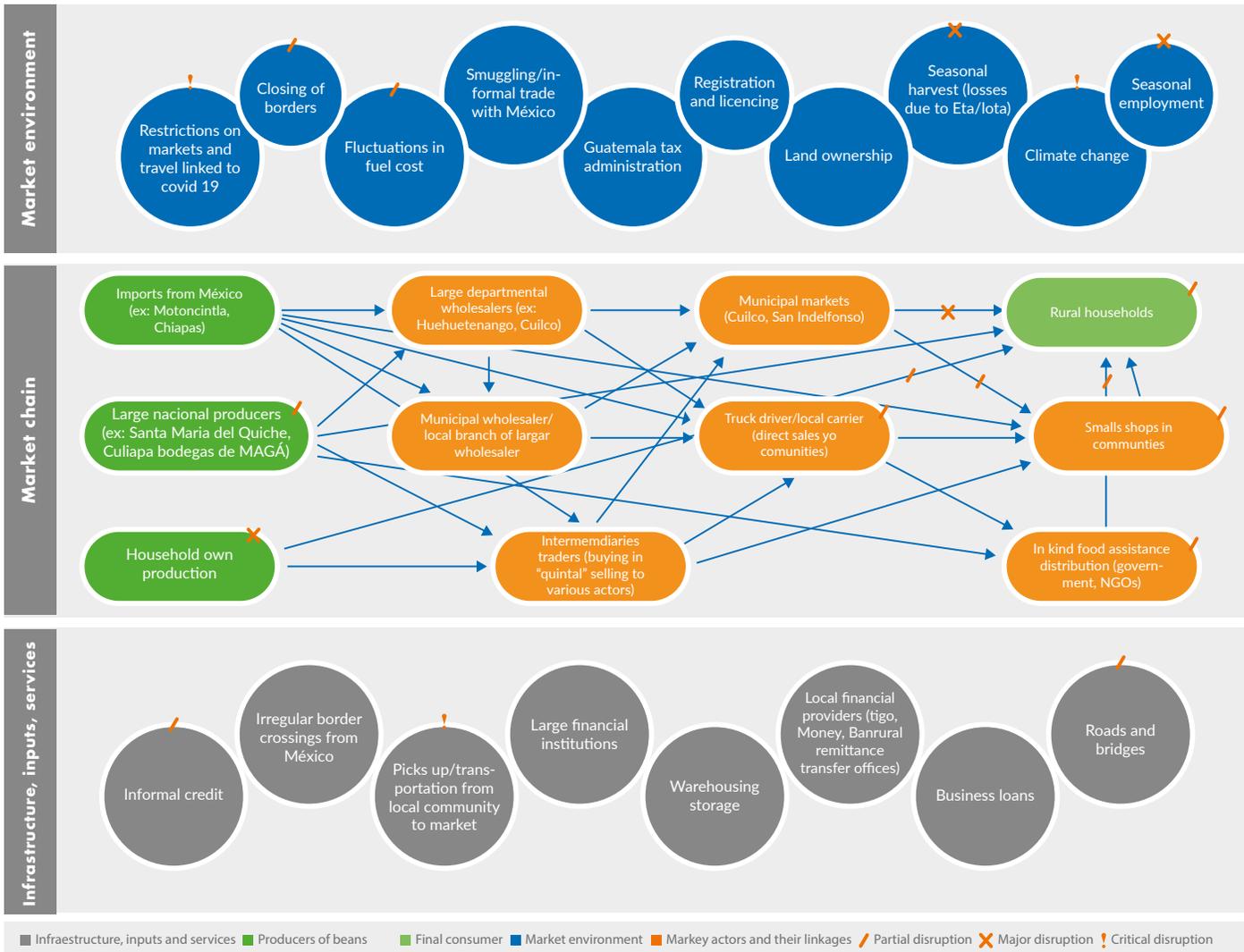


4.2 Market systems mapping for maize





4.3 Market systems mapping for black beans





Analysis of information from traders and key informants

Price fluctuations and impact of crises on prices of food commodities

PRICES FOR MAIZE, BEANS AND EGGS IN THE MARKETS:

Prices recorded between 9 and 11 of March in the market of Cuilco, Canibal and San Idelfonso were an average of **Q125 per quintal for maize and Q425 per quintal for beans and Q1 per egg**. While for beans the prices are comparable to those reported at national level, the price for maize is lower than the one last reported by FEWS NET and MAGA in February in the main market of La Terminal in Guatemala City ([FEWS NET, February 2021](#)). In all three markets, traders explained that markets are supplied both post-rain harvests, stored grain, and formal and informal imports from Mexico. Traders report that maize and bean prices are slightly above the previous year and five-year average but are still within the usual ranges.

As for the price of eggs, the prices collected were not consistent enough to come up with meaningful variations. However, secondary data and key informants suggest that these had gone up significantly during the Covid-19 restrictions, but since then have remained stable, with its price comparable to previous years.

PRICE VARIATIONS 2020-2021:

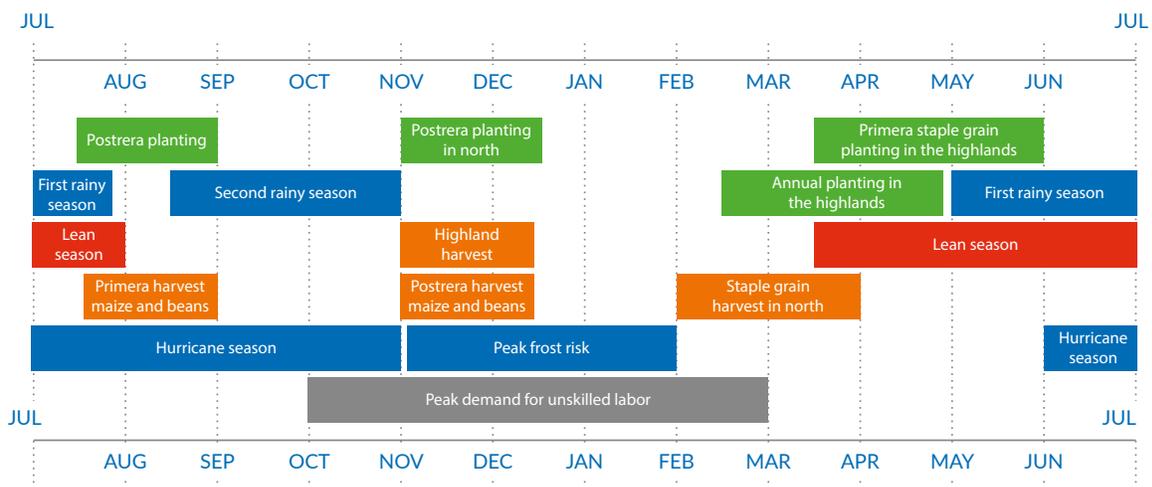
As the assessment and FEWS NET reports made clear, the major price fluctuations which occurred during the past year were driven by a combination of normal seasonal trends linked to the seasonal calendar (see below), COVID-19 related movement restrictions, fuel prices, cross border price fluctuations between Guatemala and Mexico and the immediate impact of hurricanes Eta and Iota. As documented by FEWS NET at the national level ([FEWS NET, February 2021](#)) following the damage caused by the storms in the north and east of the country to maize and bean crops and to roads, prices rose atypically in November for several days.

- With the arrival of the southern, northern, and eastern harvests, FEWS NET reports that **white maize prices** declined to an average of GTQ123.00 per quintal in January, similar to the five-year average. However, in February, prices rose due to the lower flow of domestic grain, reaching GTQ133.10/QUINTAL during the week of February 11-17.
- After the November peak, **black bean prices** declined in December and in January recorded an average price of GTQ. 439.10/QUINTAL for the week of February 11-17 to an average price of GTQ439.10/QUINTAL. In mid-February, the price shows stability at GTQ. 427.50/QUINTAL, which DIPLAN/MAGA attribute to the entry of fresh grain from the east and stored grain from the east and north of the country ([FEWS NET, February 2021](#)).



Projections for April de December 2021: In FEWS NET’s regional supply and market predictions for 2021 ([FEWS NET, regional supply and market outlook 2020](#)) FEWS NET highlight that rice, maize and black bean prices will continue to follow their seasonal behavior (see FEWS NET seasonal calendar below). FEWS NET assessed that prices would remain slightly above the average of the last 5 years until the release of the next first harvest between September and October 2021 (see price projections and FEWS NET seasonal calendar below). The market will continue to be supplied with formal and informal imports, especially for white maize from Mexico. It is also likely that the loss of crops will have an influence on the postrera and apante productions. The market will continue to be supplied with formal and informal imports, especially for white maize.

FIGURE 1: SEASONAL CALENDAR FOR A TYPICAL YEAR, FEWS NET



Source: [FEWS NET, December 2013](#)

FIGURE 2: PRICES OBSERVED AND PROJECTED FOR BLACK BEANS, LA TERMINAL, GUATEMALA CITY, AUGUST 2020 TO DECEMBER 2021 GTQ, 100 LBS (CHART FROM FEWS NET, DATA FROM MAGA/DIPLAN)

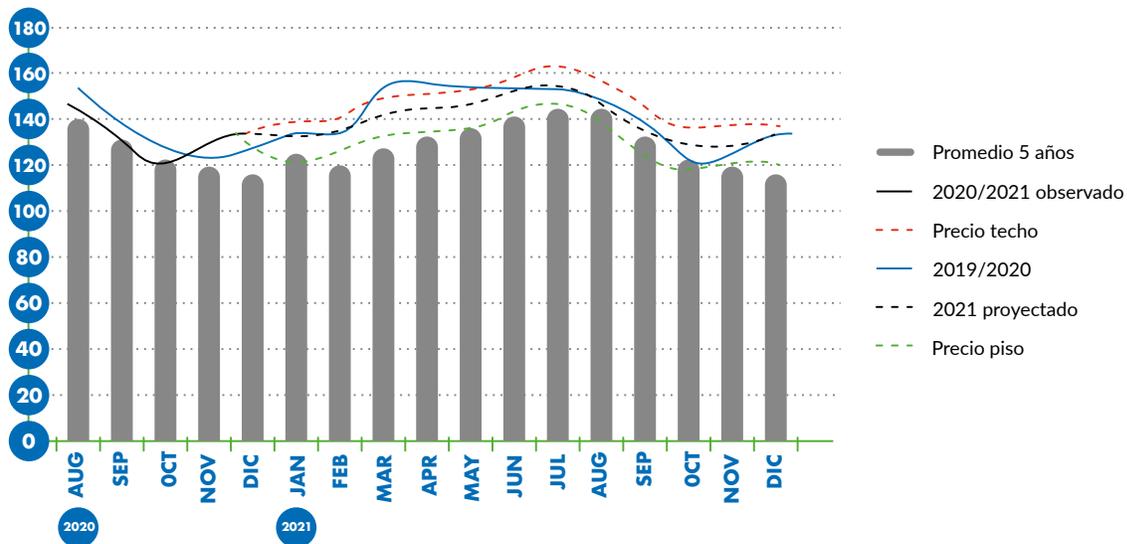
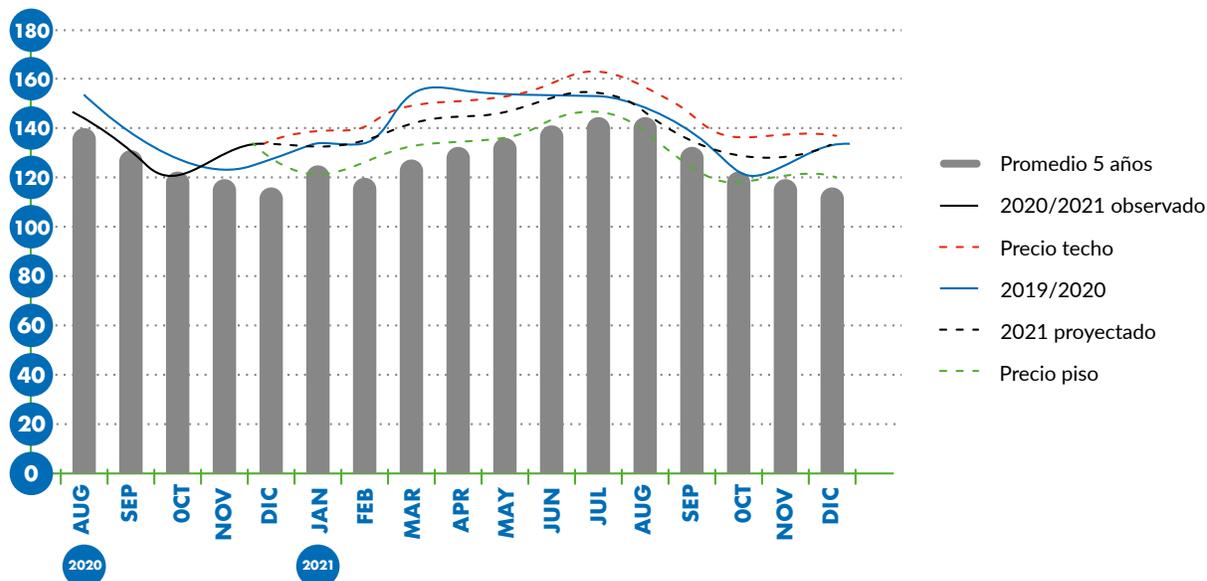


FIGURE 3: PRICES OBSERVED AND PROJECTED FOR WHITE MAIZE, LA TERMINAL, GUATEMALA CITY, AUGU 2020 TO DECEMBER 2021 GTQ, 100 LBS (CHART FROM FEWS NET, DATA FROM MAGA/DIPLAN)



CREATING AND COORDINATING BASIC FOOD EXPENDITURE BASKET AND GAP ANALYSIS ADJUSTED TO RURAL HUEHUETENANGO:

The food basket elaborated by ACH and described in Annex 2 uses secondary data on prices from FEWS NET, MAGA/DIPAN, findings from this assessment and prices from the National Institute of Statistics. Different actors are currently using different formats of food and Minimum Expenditure Baskets for their programs (see photo n. 3) ACH contacted and exchanged with other actors working on Cash and Voucher Assistance (CVA) to work to harmonize its Food Basket calculation and transfer value. In its role as cofacilitator of the Guatemala Cash Working Group ACH will advocate for further technical collaboration and harmonization among CVA actors in the newly created assessment and MEB working group (see annex 2 p.38).

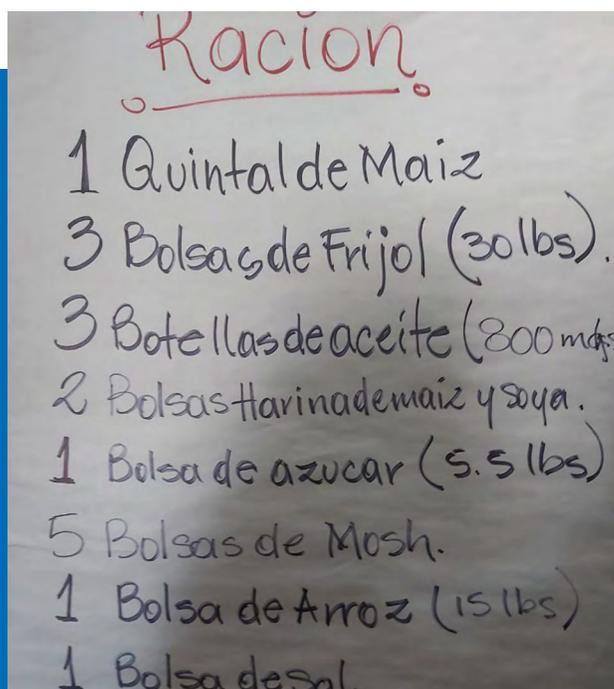


Photo n.3: Food basket products and quantities currently being distributed by the government in municipality of Cuilco, 11/03/21.

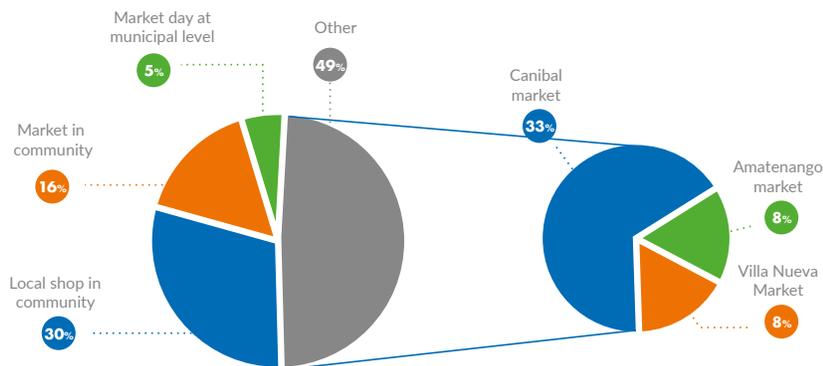


5.2 Choice of markets for food purchases by affected population.

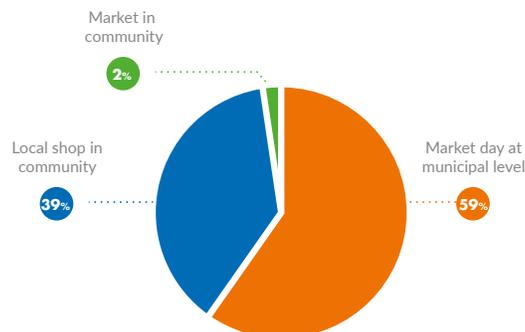
CHOICE OF MARKETS AND LOCAL STORES:

Most of the community shopping is done in local and municipal markets where a great variety of products can be found, especially on market days. The places where households surveyed in Cuilco buy most of their food is in the markets of Canibal, Amatenango and Villa Nueva (49%), (see photo n.4 p.19 of the market of Canibal On a normal day-on market day, stores extend much further in the streets.) Both households in San Ildefonso Ixtahuacán and Cuilco buy a third of their food in community stores, mainly eggs, fats, milk and cheese, coffee and salt, sugar, and red meat.

Household food purchase places in Cuilco



Household food purchase places in San Ildefonso Ixtahuacán



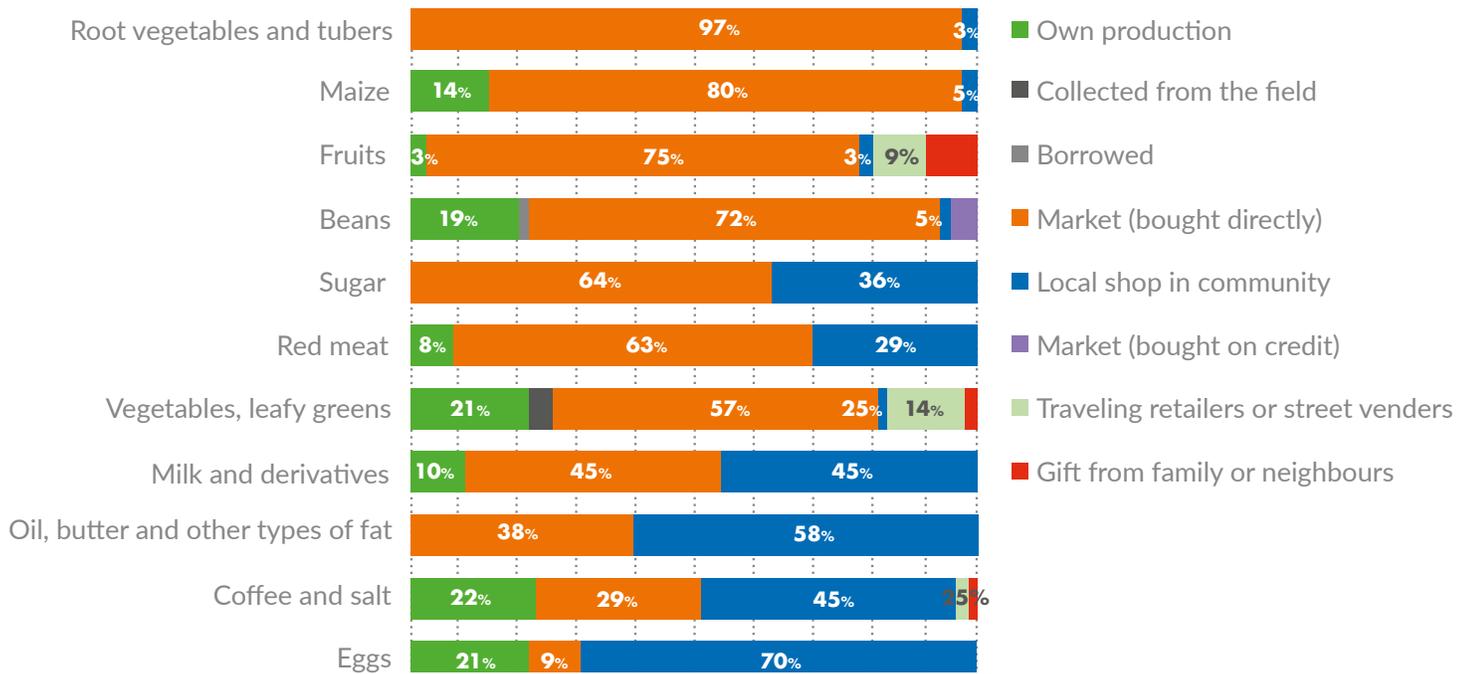
Distance is an important factor when deciding to buy food during market days at the municipal level, since more than half (59%) of the households in San Ildefonso Ixtahuacán indicated that it is the market they visit the most, while only 5% of households in Cuilco shop in the municipal market. This is because the communities visited in Cuilco are at least an hour and a half away from the municipal capital, while the communities surveyed in San Ildefonso Ixtahuacán are an average of 39 minutes away.



Photo n.6: Market of Canibal, 11 March 2020.

Household surveys revealed that at community level, some products were also more likely to be bought directly in community stores or produced directly by households, their family, or neighbors:

Source of food products bought at household level





-
- As shown in the graph above, of those households that consumed **eggs** for instance, 70% bought them in local stores in the community, 21% indicated that it comes from their own production and 9% bought it at the market.
 - 72% of households bought **black beans** in the market, 2% on credit; 19% consumed beans from their own production, 5% bought them in the community store and 2% acquire them through loans borrowed from relatives or neighbors.
 - More than 80% of households bought **maize** at the market and 5% buy it at the community shops. Only 14% consume the grain from their own production.
 - Almost all households (97%) bought **roots and tubers** at the market and only 3% at the community store.
 - Of those households that consumed **milk and derivatives** (11%), almost half (45%) bought it in the market, the other half (45%) bought it in the community store and one in ten from their own animals.
 - Of those households that consumed **red meat or other meat biproducts** (40%) more than half (63%) bought it at the cash market, one third (29%) bought it at the community store and 8% produced them themselves.
 - 57% of households that consumed vegetables and leafy greens purchased them in the market, 21% produce them themselves, 14% bought them from street vendors and 4% collected them in the field (mainly native leafy greens), 2% bought them in the community store and 2% indicated that they were a gift from a family member or neighbor.
 - 75% of the households that consumed **fruits** purchased them in the market, 9% purchased them from street vendors, 9% receive them from free from family members or neighbors, 3% bought them at the community store and 3% produce them.
 - 6 out of 10 families (58%) that **consumed oil and butter** bought them in the community store, 3 out of 10 families (38%) bought them in the market and 2% indicated that they were purchased with the assistance of an institution.
 - 6 out of 10 families (64%) buy **sugar** in the market and the rest (36%) buy it at the community store.
 - Almost half of the households (45%) buy **coffee and salt** at the community store, one out of three households (29%) buy them at the market, 22% from their own production (coffee), 2% received them for free from a family member or neighbor and 2% from street vendors.
 - 42% of households consumed **soft drinks** and 14% bought **snacks** in the last week. Both products were purchased entirely at the community store.
-

5.3 Impact of Covid 19 and hurricanes Eta and Iota on access



CHANGE IN CLIENT BEHAVIOR AND USE OF MARKETS:

Key informant interviews report that while municipalities have adapted market schedules to close a bit earlier, the presence of clients in the market is close nowadays to what it was before Covid 19 and the hurricanes in municipal markets. However, traders report less sales, and that the number of clients visiting shops is 21% less than what it was last year. Some of the main reasons to explain the smaller number of clients included transportation challenges, concerns around fear of contagion, and loss of purchasing power.

Distance from communities (see detailed maps measuring distance and accessibility by car from the Municipal Centers of San Ildefonso de Ixtahuacán and Cuilco in annex on page 37 and 38): When asked to describe the physical access to the markets included in this study, 86 percent of market actors described it as “easy” or “very easy” for the surrounding communities. The average time to get to the municipal capitals of the communities of San Ildefonso Ixtahuacán is 26 minutes, where the farthest community is 13 km away (41 minutes) and the closest community is 7 minutes away (20 minutes). In the case of Cuilco, the average travel time to the municipal capital is 91 minutes (1.5 hours), with the farthest community at 102 km (270 minutes, 4.5 hours) and the closest community at 17 km (25 minutes). While road conditions regularly get affected by climate related factors, key informants reported that most access constraints linked to hurricanes Eta and Iota lasted for a few days to a few weeks for most clients.

Transportation prices and increase: The average cost of transportation to the municipal capital is USD\$ 1.51 to arrive and USD\$ 1.66 to return to the community. The most common means of transportation used to get there is in a pick-up vehicle (80%) and autorickshaw (12%). Most households in Cuilco (78%) and more than half (54%) in San Ildefonso Ixtahuacán indicated that there is the same amount of transportation to the market compared to the period prior to the November 2020 storms. 17% and 12% of households in Cuilco and San Ildefonso Ixtahuacán indicated that they did not know if it had changed.

Regarding transportation prices before and after the November storms, the majority in Cuilco (83%) indicated that they had not increased, while in San Ildefonso Ixtahuacán, more than half (61%) indicated that the price had increased on average by more than 60% compared to the period prior to the 2020 storms. This price is reported by some to be **twice as high as it was last year before the Covid-19 pandemic**, to compensate for the smaller amount number of people technically allowed on board to keep with prevention measures.

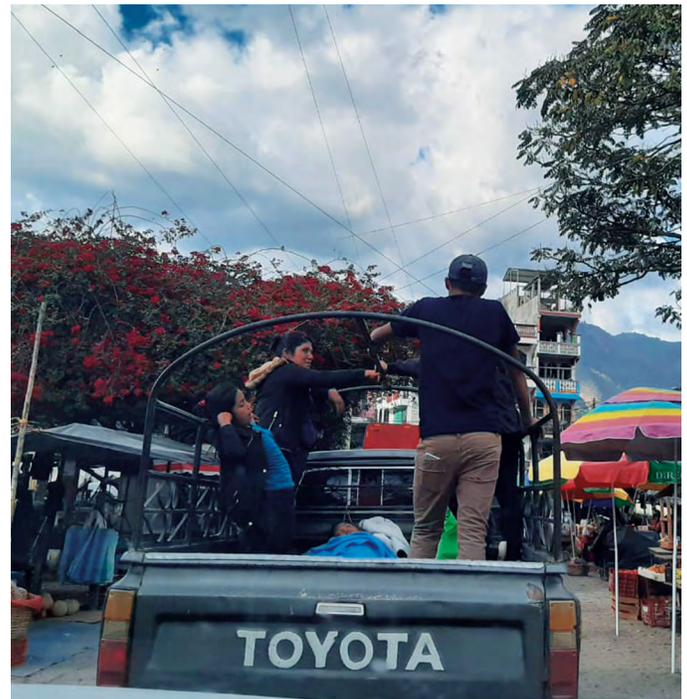


Photo 7: A pick up on its way to the market of San Ildefonso Ixtahuacán, March 2021.



Access to Financial Service Providers (FSPs): FSPs are currently available in the urban centers of each municipality. “5b” type ATMs are available and functioning in Cuilco and San Ildefonso Ixtahuacán, and communities it appeared from the assessment that communities would need to travel to these locations to receive payments. Further information would be needed from FSPs to determine whether these agents have sufficient capacity to provide financial services to a growing number of clients. Lessons learnt from PTM in the region would be useful for this assessment. Information can be obtained from the ongoing Guatemala Cash Working Group FSP mapping which is planned to be shared with CWG members in the month of April.

Municipality	Tigo Money agents	ATM “5B”	Banrural agent
San Ildefonso Ixtahuacán	5	1	1
Cuilco	3	1	1

Loss of purchasing power: According to information gathered from households in Cuilco and San Ildefonso Ixtahuacán, the average income during the last month was USD 79. This means that they households would be covering a little more than half (55%) of their daily caloric requirement from this income (see Annex 2 for a breakdown of the basic food expenditure basket). FEWS NET reports that despite the recent end of the agricultural labor demand season, the poorest households in the dry corridor and those located in the areas impacted by storms Eta and Iota have made immediate use of their income to pay debts and purchase food, diminishing their savings capacity. This was also reported by a key informant, who described the loss of purchasing power as one of the main obstacles for communities to be able to buy in the markets (FEWS NET, March 2021)

5.4 Expandability of stock and ability of traders to provide key products.

For grains and other products, the great majority of traders reported being able to turn to their usual suppliers if there was more demand or know other suppliers if necessary, with no impact on prices. While some retailers reported having less products in storage compared to last year, the variety of products remains unchanged for 80% of traders. In terms of fruits and vegetables, a variety of items were observed in the markets, such as potatoes, bananas, oranges, apples, carrots, lettuce, blackberry, root vegetables and cucumbers.



MAIZE:

Two types of maize were sold in about a third of stores: White maize, often from Mexico, and Criollo “yellow” Maize, which was more likely to come from local production. Wholesalers and retailers usually have an average of 850 pounds of maize in their storage, with the largest retailers reporting 15000 and 15000 pounds at the Mexican border town of Amatenango and in Canibal market. All of them reported being able to increase their stock in case of more demands from customers with no implications on prices. Out of the 10 who answered the question, it would take 3 of them between a day and a week to do so, 6 of them between a week and a month. The largest wholesaler would need between one and two months given the size of his current stock.



BLACK BEANS:

Wholesalers and retailers usually have an average of 590 pounds of black beans in their storage. All of the traders reported being able to increase their stock in case of a doubling of demand from customers with no implications on prices. It would take 62% of them between a week and a month, 31% between a day and month, and only one reported that he would need between a week and a month. While 45% could quickly increase their stock in a day to a week, 45% would need between a day and a month, and 5 percent between a month and two months. Obstacles to being able to replenish their stock quicker included storage space and availability of transport.



EGGS:

In the case of eggs, stores in the community were also more likely to sell local brown eggs, a variety preferred by community members than the white eggs coming from the Mexican borders. As previously described, there were significant differences in the prices of eggs last year when the Covid-19 pandemic briefly closed the borders with Mexico. During that time, local eggs became more popular favoring the local egg production economy. Egg prices today were reported to be similar to the prices they were sold a year ago. All of the traders reported being able to increase their stock in case of a doubling of demand from customers with no implications on prices. It would take 62% of them between a week and a month, 31% between a day and a month, and only one reported that he would need between a week and a month.

5.5 Different market use and access across population groups (women and children, the elderly, and people with disabilities)

GENDERED ROLES IN THE MARKET AND PURCHASES:

At household level, in both Cuilco and San Ildefonso Ixtahuacán, it is the woman who makes most of the purchases (50% and 71%, respectively). Also, in both municipalities, most of the purchase decisions are made by women (33% and 59%), but it is noteworthy that half (50%) in Cuilco indicated that the decision is made jointly by the woman and the man, and in San Ildefonso Ixtahuacán, a third of the households (32%) do it that way. In Cuilco, all households indicated that there are no specific difficulties for women and children to access the markets, while in San Ildefonso Ixtahuacán, 12% indicated that there are, mainly because of the risk of COVID-19 infection, or because the market is far away and women almost always must take their children with them, which makes it difficult for them to travel. Almost all women (98%) report feeling safe in the markets.

PEOPLE WITH DISABILITIES:

17% of households in San Ildefonso Ixtahuacán indicated that there are specific difficulties for people with disabilities to access the markets, mainly because of the type of transportation they must use (pick-up) or because the route they must walk before reaching the main road to take transportation is not in the best conditions. In Cuilco, only 6% indicated that there are specific difficulties for people with disabilities to access the markets, indicating that the drivers of the transportation they use are not considerate of them.

THE ELDERLY:

In San Ildefonso Ixtahuacán, only 10% of households indicated that elderly people have difficulty accessing the market, mainly due to the type of transportation they must use (pick-up) or because they may have difficulty walking, seeing, or speaking. It is not very different in Cuilco, where 6% indicated that they have difficulties for the same reasons.



Opportunities and preferences for market-based interventions- Community consultation

6.1 Key findings from key informant interviews

As key informants revealed and previous studies have shown, the choice between a direct local purchase of food assistance, the use of a voucher, or the delivery of cash through banks or mobile money will have important implications not only for the local economy but for project design, perceived impact on resilience/sustainability and gender. As part of this market assessment, participant's preferences for market-based interventions were included in household questionnaires and key informant interviews to understand what the experience and perception was in Cuilco and San Ildefonso Ixtahuacán.

All key informants expressed the belief that there were **no major obstacles in terms of the market's ability to supply communities** with the products they need, as it offers a diversity of products and is sufficiently integrated to be competitive in terms of prices. Some highlighted challenges with **transportation costs** and the need to factor this into any market-based programming.

Most key informants **leaned towards cash assistance and mentioned experiences in the region with WFP, PCI and government projects as examples of it having worked successfully in the past**. Many focused on the greater freedom and flexibility offered by cash assistance as its greatest advantage. But part of this reasoning was also based on a perception that food distributions are often unsustainable and do not offer beneficiaries the power to look after themselves. Standardized food baskets also were not always adjusted to communities needs and eating habits.

Three key informants also expressed a **preference for food distribution because of fears over the bad use of money**, especially in a context of high rates of alcoholism and malnutrition. These had a strong perception that given cash, communities would not make "the right decisions", especially men. There was also a fear among health workers that families would not buy nutritious food and spend the money on snacks or alcohol. Some also expressed that depending on the objective of the project, food assistance can be more successful than cash distribution if it is coupled with wider development objectives.

Some raised preferences around frequency of **transfers, restrictions, and conditionality of CVA**:

- **Frequency of transfers:** Most key informants agreed that they would prefer monthly transfers, but only if the amount is sufficient to cover a fair number of basic needs. Some saw a missed opportunity in making one-time cash transfers, due to lack of monitoring and opportunities to reach communities for key messages around nutrition and health. They suggested, whenever possible, to coordinate the days where the communities need to go to financial service providers with market days so that communities can save on transportation costs and limit movements.
- **Restricted vs unrestricted CVA:** When choosing between restricted and unrestricted cash transfers, most key informants preferred unrestricted cash transfers, which allowed greater freedom and flexibility. In San Ildefonso Ixtahuacán and Cuilco, this would be either through Banrural or Tigo Money. MAGA in San Ildefonso Ixtahuacán preferred cash transfers over vouchers based on a previous experience where community leaders had been put in charge of selecting the stores with which agreements would be made for vouchers and had been perceived as choosing these stores based on personal relations. As a result, MAGA saw cash as more equitable for merchants and markets, with less potential for conflict.
- **Conditional vs unconditional CVA:** Most participants expressed a preference for a certain level of conditionality for CVA, especially for projects with health or nutrition outcome. SESAN, for example, mentioned that WFP's unconditional and unrestricted cash transfer made sense in an emergency where communities where the level of damage called for immediate and multipurpose support. But for projects with clear nutritional or health objectives, it is important to include elements of behavior change in the project design. SESAN recommends linking CVA to health or education indicators, such as school attendance or visits to health centers.

All recognized, however, that conditionality could be difficult to implement given local capacity constraints or ability to process documentation. A conditionality linked to school attendance, for instance, would not be appropriate during the Covid-19 epidemic, when school attendance is not possible.

WIDER CONSIDERATION FOR CVA PROJECT DESIGN:

Criteria for targeting for food CVA and Food assistance: Beyond modality choice, some key informants found targeting the most important factor in project design. Some raised concerns about previous and current targeting models which led to inclusion and exclusion errors. The current government targeting for Covid 19 food distribution, for instance, is based on a list of five broad indicators which are later reviewed and approved by COCODEs at local level. One of these indicators is based on energy consumption, something justified through bills and receipts. This was thought to be particularly difficult to implement, and open to falsifications.

Gender and CVA: All key informant interviewed made the point that **CVA is most effective in the region when it is channeled through women.** It was the opinion of the woman's secretariat that women will also generally prefer and most benefit from CVA. When done well and coupled with key messages around financial education, CVA empowers them and allows them to develop key skills on how to manage the family's budget. From previous monitoring of conditional CVA government programs, she reported important behavior changes in women after 1 or 2 years of programming and significant improvement in children's nutrition. Women would carefully count their spending and grow more confident with a greater presence in public spaces and institutions, such as banks. According to her, this helped shatter persisting myths, especially among certain ethnical groups, that women will not be welcomed in public spaces and institutions and should stay within the safety of their homes and communities.



6.2 Lessons learnt from previous studies and projects:

As mentioned by one of the key informants, an independent study was commissioned by USAID and designed by Project Concern International (PCI) and CRS to gather and synthesize the experiences of food assistance in Guatemala ([PCI, CRS 2018](#)). What they found through focus groups and visits to projects was that **there was a consensus among beneficiaries of a preference for cash and the use and purchasing freedoms they receive as a result**. The report highlights that before starting with the delivery of cash or vouchers, some beneficiaries and project team expressed skepticism towards these modalities, especially when previous delivery had only been in-kind.

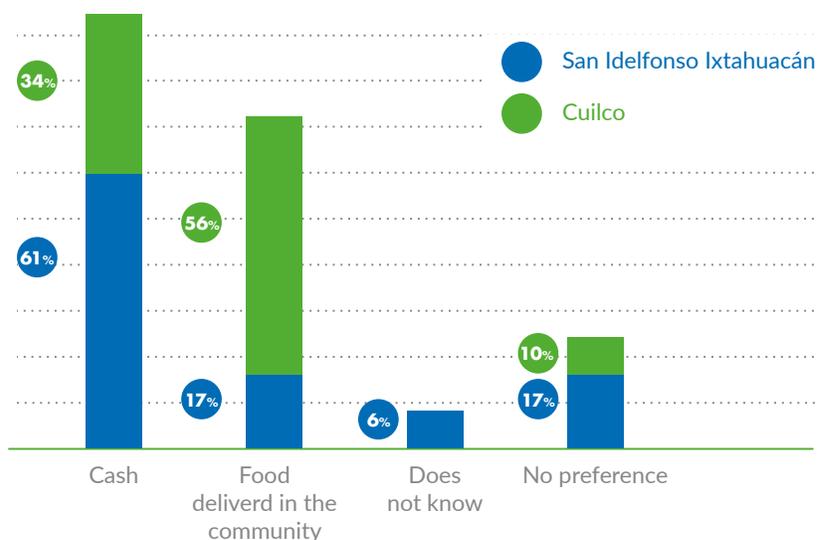
The study and key informant explained that the fact that beneficiaries prefer what they already know is a common pattern and not unexpected. However, after experiencing cash or voucher deliveries, beneficiaries changed their preference towards them. Having already experienced the autonomy and freedom of using cash (or better products with vouchers), it was then unlikely that they would return to request in kind food or more restricted modalities ([PCI, CRS 2018](#)). This was also reported by several key informants in Huehuetenango. While they themselves had expressed skepticisms at first, they realized in their role monitoring these projects that communities made good use of CVA and benefited most from this flexibility.

6.3 Finding from household survey:

CHOICE OF MODALITY:

At household level, a 40% of interviewed households preferred cash assistance. There were **differences between modality preferences in Cuilco and San Ildefonso Ixtahuacán. In Cuilco, more than half (61%) prefer cash assistance**, as they feel they can decide which items to buy according to their needs, ranging from food to cleaning products, medicines and sheets. However, **in San Ildefonso Ixtahuacán, only one in three households (34%) indicated that they prefer cash for these same reasons**. In San Ildefonso Ixtahuacán, more than half (56%) of the households would rather receive food items directly to the community, indicating in some cases that the money would risk being spent on things other than food for the household and too much money or time would be spent travelling to the municipal capital. However, when asked what their second choice for receiving food assistance would be, more than 85% of the households who prefer food delivery indicated that they would like to receive cash.

Preference on the modality of assistance by the households



Regarding the foods that households that indicated that they preferred the in-kind delivery modality would like to receive, both in Cuilco (50%) and San Ildefonso Ixtahuacán (42%) prefer rice, followed by beans in Cuilco and Incaparina® in San Ildefonso Ixtahuacán. Other foods preferred by households in Cuilco are maize, oats, Incaparina®, pasta and oil. In San Ildefonso Ixtahuacán, other preferred foods are milk, oil, sugar, and beans.

FREQUENCY OF TRANSFERS:

As for when households prefer to receive food assistance, in Cuilco more than half (63%) prefer the beginning of the month, as they can better plan their purchases; one-fifth (19%) prefer the end of the month and 15% indicated that they have no preference.

In San Ildefonso Ixtahuacán, more than half (56%) also prefer to receive the assistance at the beginning of the month because it allows them to buy all the products that will be used during that time and to plan better; 17% prefer to receive it at the end of the month because the assistance would help pay household expenses such as electricity service and they could buy food for the following month; and 22% indicated that they have no preference.

Seven out of ten families (72%) in Cuilco indicated that they would like to receive all the assistance at once and only three out of ten (28%) families would like to receive it monthly. Significant differences are shown in San Ildefonso Ixtahuacán, where almost all (98%) indicated that they would like to receive it monthly. An element of analysis for this difference could be that communities in San Ildefonso Ixtahuacán are closer to the bank, and it is easier for them to get there every month.

7

Risk analysis and market-related considerations that require attention or further analysis.

RISKS IN THE MARKET IDENTIFIED BY COMMUNITIES:

In both municipalities, almost all households indicated that the person who makes the purchases feels safe (98%) and only 2% who indicated that they do not feel safe, mentioned that it is due to possible traffic accidents or the risk of infection of COVID-19. When asked about what their main concern would be in regard to receiving assistance, in San Ildefonso Ixtahuacán, 64% stated that they had no concerns, 31% indicated that they would be worried about having their money or food stolen, and 49% indicated that they would be worried about having to return home due to lack of transportation. In Cuilco, 56% would not have any concerns, 39% would worry that they would not be able to return home due to lack of transportation and 11% would worry that their money or food would be stolen.

RISKS RELATED TO COVID 19:

1 in 3 traders report to be applying at least one Covid related mitigation measure in their shops and businesses. However, around 75% of clients and 2 out of 3 retailers and wholesalers were not wearing masks during the interview. Covid related risks exist both in the market and in other aspects of community life, and in the delivery of other types of assistance. While all were applying mitigation measures inside the municipality of San Ildefonso, this was not the case in Cuilco. The municipality there is currently processing more between 600-800 persons a day to come forward to select covid-19 related food assistance, creating large queues in and out of local offices where social distancing did not appear to be promoted or enforced. Pick-ups that communities use to reach markets often appeared to be full, creating additional risks for contamination.



Photo 8. Cuilco, 11 March 2021, community members line up to receive bags of food assistance as part of Covid-19 relief assistance which was originally planned for May 2020.



DEVELOPING A RISK ANALYSIS MATRIX AND MITIGATION MEASURES:

To address possible risks and mitigation measures, the consortium of NGO and ACH team in Cuilco developed a market-based intervention risk matrix and is reviewing the Cash Working Group protocol on mitigation measures in during Covid 19. The objective of the risk matrix is to make sure operational capacity and adequate risk mitigation measures are in place to address programmatic, contextual, institutional, and health-related risks identified in the area ([Cash Working Group Guide for PTM for Covid-19, August 2020, risk matrix in annex](#)). This matrix considers the risks identified by communities, by the ACH team, and those related to Covid 19 and will be used as a base for a wider risk-assessment exercise in April.

MITIGATION MEASURES FOR COVID 19:

In the baseline data from previous data collection in the Dry Corridor, traders reported that 5 most useful measures to mitigate risks would be the distribution of antibacterial gel in the markets, support with informative posters, distribution of masks in the markets, distribution of masks in the communities and awareness-raising workshops for customers and markets. An example of the mitigation measures found by ACH in Cuilco includes developing key messages to inform beneficiaries about COVID-19 (consequences, symptoms, prevention measures) before visiting FSPs. At the time of personnel responsible for surveillance and monitoring of prevention measures on the day of delivery of money transfers.

MITIGATION MEASURES FOR ACCESS CHALLENGES:

Two entities have the official responsibility to provide food assistance to the most vulnerable citizens. These are the Ministry of Social Development (MIDES) and the Ministry of Agriculture, Livestock, and Food (MAGA). Therefore, working on strengthening access to markets for these communities should be worked in close coordination with municipalities, MIDES and MAGA. Providing a higher transfer value to factor in higher transportation can be a temporary solution and coordinating transportation to and from financial service providers can be worked on in close coordination with the COCODE and these actors.



Implementation experience and related lessons learned, and activities planned or being implemented by other agencies

LESSONS LEARNED FOR MULTI-PURPOSE CASH ASSISTANCE FROM LOCAL ORGANIZATION TZUUL TAKA IN ALTA VERAPAZ:

After conducting a market study in Alta Verapaz in response to hurricanes Eta and Iota, the local NGO Tzul Takaa found that markets were functioning and are implementing a cash transfer program through Banrural offices for **2151 families** with **the support of the Swiss Development Cooperation**. To mitigate risks related to Covid 19, the Tzul Takaa team developed a risk analysis and contingency plan in coordination with local authorities and communities. It includes a **Communication with Community plan which informed beneficiaries about COVID-19, (consequences, symptoms, prevention measures), before visiting bank branches**. Tzul Taka worked closely with the **Community Urban and Rural Development Councils (COCODE)** to jointly monitor of prevention measures on the day of delivery of money transfers, in the queues and coordinate with banks. In sharing their lessons, the CVA team of Tzul Takaa highlights that:

- Previous ties with communities and the support of the COCODEs were the most defining factors to safely deliver cash assistance and target the most vulnerable households.
- Role play and street theater techniques were useful tools to share messages around correct use of money, savings, housing improvement and healthy and responsible eating habits. These generate reflections in participants so that they analyze, decide and reinforce positive behaviors.
- Incorporating gender in the CVA team's training helped to provide a better service to the beneficiaries by preventing gender-based violence.

LESSONS LEARNED ON THE DIFFERENT LEVELS OF CONTROL IN THE USE OF CASH:

Past market studies identified that “there is still a lot of resistance in Guatemala to the use of cash transfers, for fear of “misuse” of the money, and a certain level of rejection of this type of modality by governmental and non-governmental agencies”. Thus, projects incorporate different philosophies and take different strategies to influence or not influence how beneficiaries use their cash. This was reflected in many of the key informant interviews. However, more and more experiences show that the “misuse” of cash is marginal and cash transfer is often the most effective and inexpensive modality ([PCMA, EMMA 2019](#)). Several studies pointed out that it is important to use cash whenever conditions allow, and to continue the transition towards more freedom of decision for participants, using behavior change communications to achieve goals linked to cash use ([PCI, CRS 2018](#)).



Conclusions

After the assessment, the data collection team agreed that the main markets of the municipalities of Cuilco and San Ildefonso Ixtahuacán are currently functioning, there is a sufficient flow of suppliers, traders and producers who actively participate in their functions. These markets are integrated or semi-integrated, with the ability to replenish quickly without impacting prices, and have international connections with Mexico.

Based on these findings, the team chose to use the RAM's "Conclusion tree to assess market response capacity" tool to reach conclusions regarding appropriate delivery modality. What they found was that given the functioning supply chain, variety of products and loss of household resources following the hurricanes and pandemic, the use of CVA is considered possible in this context. Other components were also assessed to determine the feasibility of CVA programs, such as lessons learned from previous programs, risk analysis, and consultations with FSPs. Evidence suggests that CVA is often what communities prefer, and that this modality is particularly beneficial to women.

In any choice of delivery modality, solid mitigation measures will need to be implemented to limit risks related to the Covid 19 pandemic and to anticipate barriers of access, such as limited transportation to and from communities. This is particularly important for most vulnerable groups, such as people with disabilities and the elderly. It will also be important to continue to monitor the price of maize and beans used to design the food basket, consider other possible costs such as transportation, and adjust costs if needed. Price increases related to crop losses will also have to be monitored to agree on transfer amounts. Through their roles supporting the Guatemala Cash Working Group, CashCap and ACH will continue to promote coordination and collaboration through regular coordination meetings and technical sub-working groups.

At the time of data collection, the exact list of communities included in the project had not been defined, and it was not possible to accurately document the local economy in their villages and the proximity to municipal markets. If the population is too remote, and if road access is seriously compromised during the project, a mixed approach could be considered.

ANNEX 1. CONCLUSION TREE TO ASSESS MARKET RESPONSE CAPACITY.

Conclusion tree to assess market response capacity

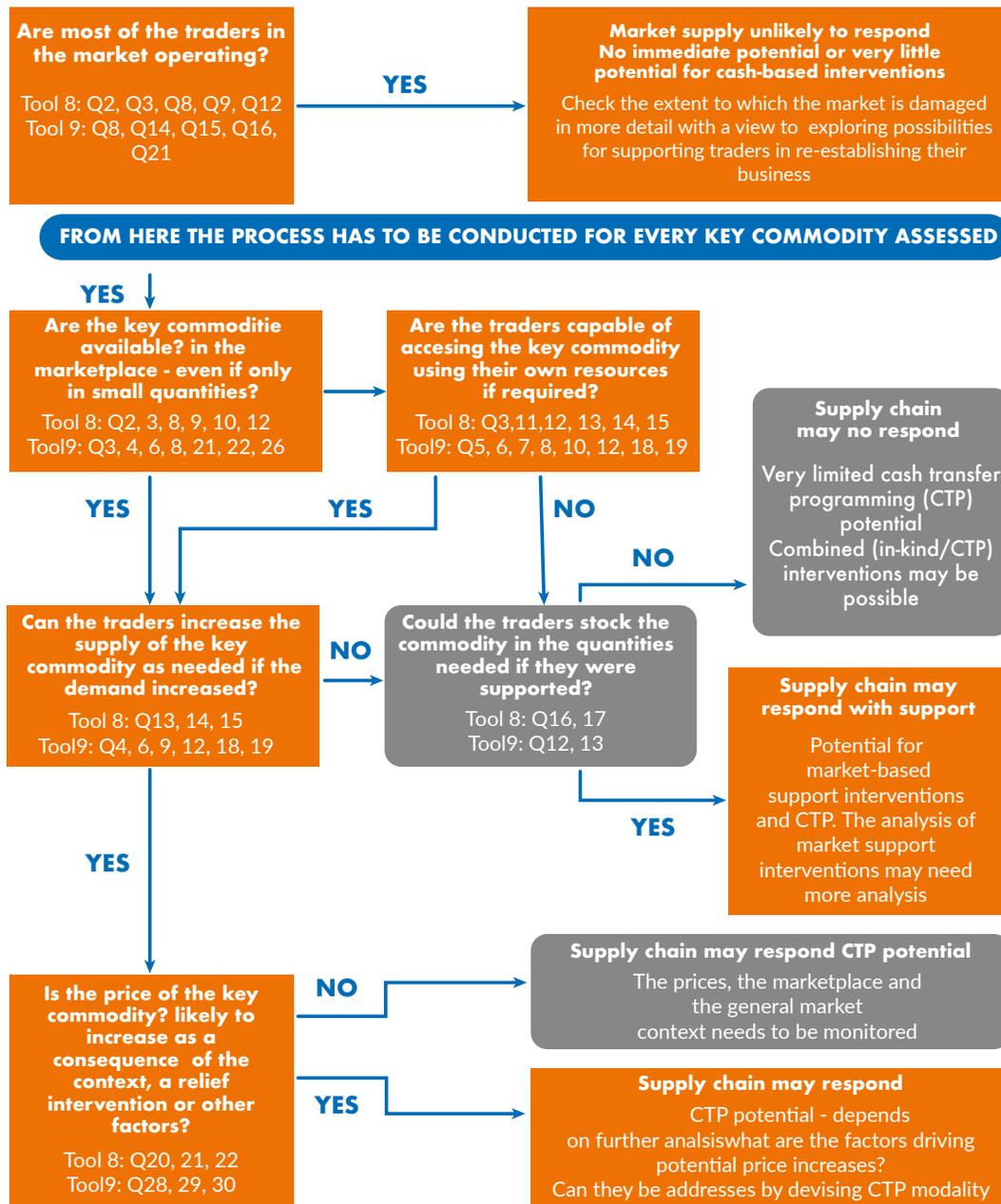


Table n.1 below summarizes the market assessment conducted and the options for possible interventions to be considered in the analysis phase. It **summarizes the situation in the markets analyzed and includes secondary information from the broader community of practice and includes comments that may be useful in the analysis of interventions.** The decision tree or scheme presented above provides a guideline to be used for evaluators to consider and determine whether, in the light of the information, an intervention with one or both response modalities is appropriate.

The IFRC format was modified to include transportation and access barrier issues, as they have been identified in the analysis.

TABLE N.1 SUMMARY OF MARKET ASSESSMENT AND INTERVENTION OPTIONS (BASED ON DECISION TREE)

Key analytical question to determine adequate intervention	Cuilco, Canibal and San Ildefonso Ixtahuacán markets
Is there a physical possibility for the affected families to go to the market? Considering security conditions, transportation, gender and ethnicity.	Yes - with considerations related to the Covid 19 pandemic and access barriers (price of transportation, distance to municipalities). This will have to be mitigated in project design and considered in risk assessments and mitigation measures
Is it possible to overcome the conditions restricting access?	Yes - giving a higher transfer value, facilitating transportation, and working with local authorities to respect mitigation measures (in particular, guidelines on distancing and mask use as requirements to be part of the project).
Do most of the traders present in the market continue their activity?	Yes
Are commodities available in the physical market - even in small quantities?	Yes - Stores are not always well stocked at the community level, but the household survey reveals that most households go to the municipal capital or truckers for supplies. It is also probable that an increase in local purchasing power might encourage these stores to a greater variety of products.
Are traders able to make key commodities available through their own resources if necessary?	Mostly yes. Good connections with other markets in the region are documented.
Can traders increase the supply of essential commodities as appropriate if demand increases?	Mostly yes. Possible risks of price increases were documented, but the good connection with other markets in the region is sufficient to meet demand.
Would traders be able to maintain stocks of the required quantities of commodities if they received support?	Local markets are quite integrated, you could get it at the municipal market.
Is the price of products likely to increase because of context, intervention or other factors?	Yes - likely because of the context, but not because of the intervention. This would need to be factored in the transfer value and monitored
Conclusions to determine the market's capacity to meet demand in emergency situations	<p>Supply chain would respond.</p> <p>Cash and Voucher Assistance potential (The prices, the marketplace and the general market context would need to be monitored)</p>



ANNEX 2: CREATING A BASIC FOOD EXPENDITURE BASKET AND GAP ANALYSIS ADJUSTED TO RURAL HUEHUETENANGO.

The latest official basic food expenditure basket produced by the National Institute for Statistics in Guatemala contains 34 products and quantifies the grams suggested for a household of 4.77 members, covering the energy requirement of 2,262 calories ([INE, March 2021](#)). It constitutes a minimum necessary to satisfy at least the energy and protein needs of a family and is adjusted, as far as possible, to the cultural pattern, purchasing power, as well as the availability and prices of food at the local level.

As of February 2021, the official food expenditure basket had a cost of Q 2,987.39, (approximately USD 398). It is important to note that this basket is more adapted to urban and not rural contexts and has not been updated regularly and consistently in the last 5 years. Based on these findings, the following basket has been designed by ACH to fill the daily caloric requirements per person in the household (according to Sphere Standards), in addition to adjusting the percentage of proteins and fats and including micronutrients. In addition, the prices of the products included in the basket were adjusted according to the findings of the price monitoring survey in rural Huehuetenango.

INDIVIDUAL BASIC FOOD BASKET - ADEQUACY FOR THE RURAL POPULATION OF HUEHUETENANGO

Product	Product presentation	Unit	Unit cost USD	Cost / pp / day USD	Gram / pp/ day	Kcal	Proteins (g)	Carbohydrates	Fat (g)
Maize grain, white	460	gram	(g)	Fat (g)	300	1,095.0	28.3	222.8	14.2
Beans, black	460	gram	0.67	0.22	150	514.5	34.1	92.4	2.4
Oil, sunflower, unfortified		ml	1.60	0.03	15	132.6	0.0	0.0	15.0
CSB supercereal (csb+) [wfp].	460	gram	1.33	0.03	12	44.2	2.5	8.2	0.2
Egg, whole, chicken, fresh	648	gram	1.60	0.25	100	147.0	12.6	0.8	9.9
Tomatoes, red, ripe	460	gram	0.67	0.05	35	11.2	0.3	1.7	0.1
Onion	460	gram	0.40	0.02	21	9.5	0.3	2.0	0.0
Banana		gram	0.10	0.06	56	49.8	0.6	12.8	0.2
Watermelon	460	gram	0.25	0.03	46	13.8	0.3	3.5	0.1
Orange, raw		gram	0.13	0.13	150	70.5	1.4	17.6	0.2
TOTAL				USD 0.95		2,088.0	80.3	361.7	42.4
% adequacy						99.4	109.2	99.9	106.8

**BASIC FAMILY FOOD BASKET (5 MEMBERS) -
ADEQUACY FOR RURAL POPULATION OF HUEHUETENANGO**

Products	Amount	Unit	Cost / HH / month
Maize grain, white	98	Pounds	19.57
Beans, black	49	Pounds	32.61
Oil, sunflower, unfortified	3	Bottle	4.80
CSB supercereal (csb+) [wfp].	4	Pounds	5.22
Egg, whole, chicken, fresh	23	Dozen	37.04
Tomatoes, red, ripe	12	Pounds	7.83
Onion	7	Pounds	2.74
Banana	84	Unit	8.40
Water melon	15	Pounds	3.80
Orange, raw	150	Unit	20.00
TOTAL			141.99

To cover this basket, a family of 5 members would need about USD 142 / month (approx. 1100 quetzals). However, according to information gathered from households in Cuilco and San Ildefonso Ixtahuacán, the average income during the last month was USD 79, so they would be covering a little more than half (55%) of their daily caloric requirements, as well as protein and fat, i.e., there is a 45% gap in access to the basic food basket.

Evidence needed on Minimum Expenditure Basket in Guatemala (MEB): There is currently no harmonized Minimum Expenditure Basket (MEB) used by CVA actors in Guatemala, methodologies vary according to organization mandate and geographical locations. A working group has been set up in February 2021 to work on this under the Guatemala Cash Working Group.

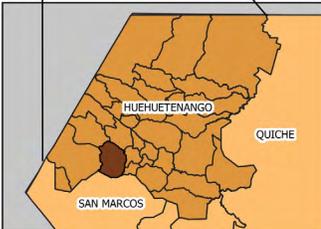
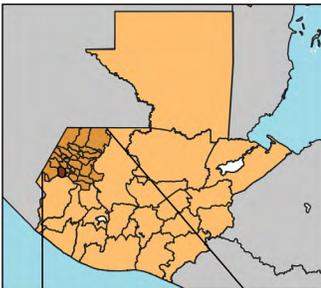
The National Institute for Statistics calculates an “Expanded Basket” (“Canasta Ampliada”) defined as the set of goods and services that satisfy the expanded needs of the members of a community. This includes food, clothing, housing, furniture, health, communications, transportation, recreation, culture, education, restaurants, hotels, and other goods and services. The calculation of the Expanded Basket is obtained by means of a calculation of the total monthly cost of the Basic Food Basket in relation to total expenditure on goods and services, according to the results of the “The Living Conditions Survey (last update in 2014) (ENCOVI, INE). Given that proportion spent on food expenditure is estimated by the survey at 43.31%, the cost of the expanded basket was of Q. 6,891.55 in January 2021 (approximately 892.26 dollars).



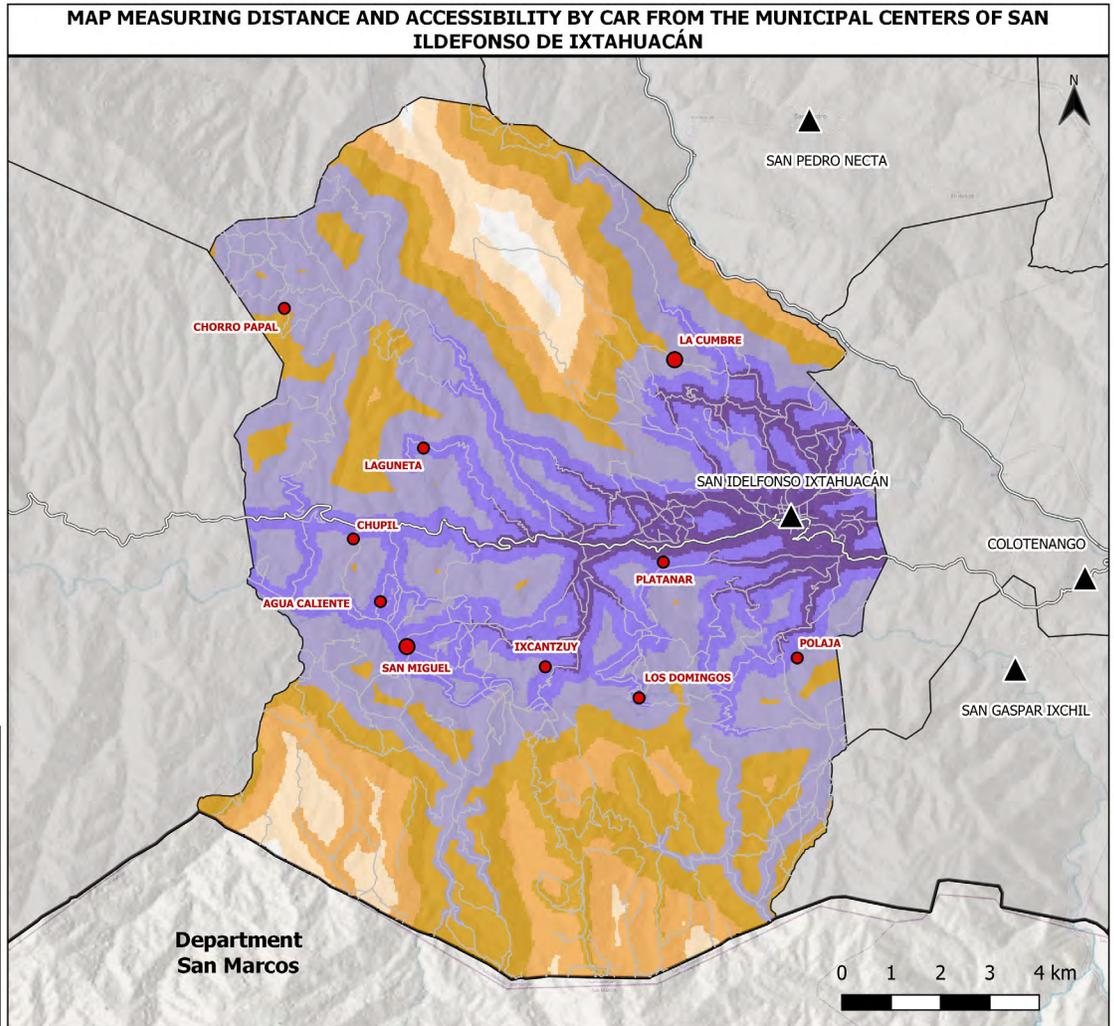
ANNEX 4: MAP MEASURING DISTANCE AND ACCESSIBILITY BY CAR FROM THE MUNICIPAL CENTERS SAN ILDEFONSO DE IXTAHUACÁN



Produced by ACH & GIS4tech



MAP MEASURING DISTANCE AND ACCESSIBILITY BY CAR FROM THE MUNICIPAL CENTERS OF SAN ILDEFONSO DE IXTAHUACÁN



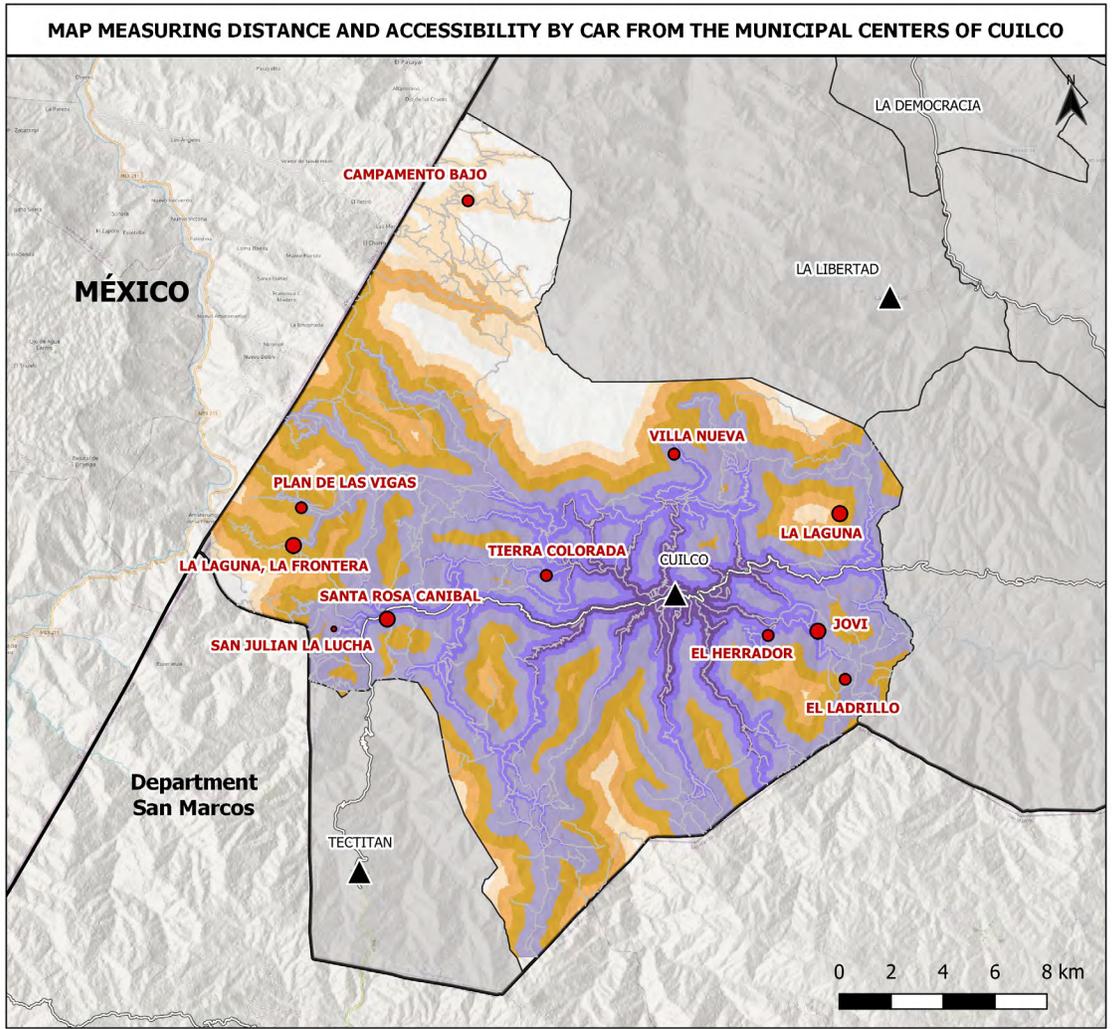
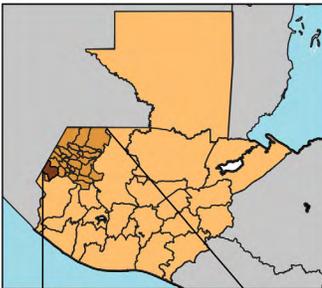
Communities prioritized for intervention	▲ Municipal capital
● VILLAGE	
● HAMLET	
— Main roads	
— Secondary roads	
▭ Departmental lines	
▭ Municipal lines	
▭ Carreteras principales	

Accessibility (minutes)
■ <15
■ 15 - 30
■ 30 - 60
■ 60 - 90
■ 90 - 120
■ 120-150
■ > 150

ANNEX 4: MAP MEASURING DISTANCE AND ACCESSIBILITY BY CAR FROM THE MUNICIPAL CENTERS OF CUILCO



PRODUCED BY ACH & GIS4tech



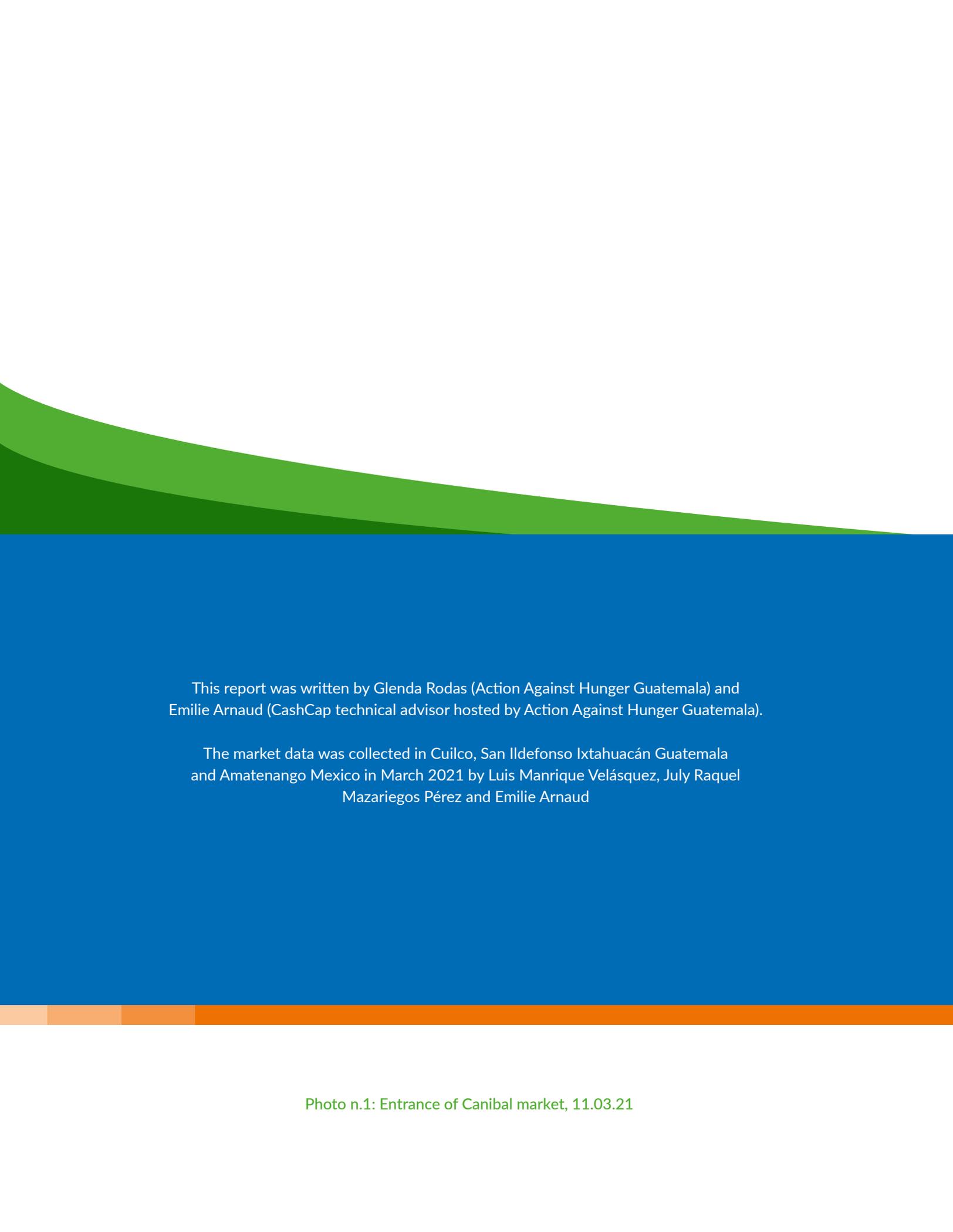


ANNEX 5: LIST OF KEY INFORMANTS

Institution and role	Name
Secretariat of Food and Nutritional Security (SESAN)-Cuilco	Pablo Daniel Covon Villatoro
Women's secretariat of the municipality of Cuilco, representative	Cristina Asusena Carbajal
Gerente municipal de la municipal de Cuilco	Joe Galvez Garcia
Municipality of San Ildefonso Ixtahuacán, concejal municipal	Juan Maldonado Ramirez
MAGA-Ministry of Agriculture, Livestock and Food (Ministerio de Agricultura, Ganadería y Alimentación) Municipality of San Ildefonso Ixtahuacán	Gladys Antonieta Say Archiole
Ministry of Agriculture, Livestock and Food (Ministerio de Agricultura, Ganadería y Alimentación) Municipality of San Idelfonso Ixtahuacán	Belveth Vanessa Rodriguez Lopen
Secretariat of Food and Nutritional Security (SESAN)-Cuilco	Aroldo Eliazar Lopez Thomas
Ministry of Agriculture, Livestock and Food (Ministerio de Agricultura, Ganadería y Alimentación) Municipality of San Idelfonso Ixtahuacán	Erica Madonna Ortiz Fabaj
Municipality of San Idelfonso Ixtahuacán, health worker	Merlin Lopez Palacios
Municipalidad de San Idelfonso Ixtahuacán, health worker	Lili Ordoñez Sarlez
Project Concern Internacial (PCI), director de programas	José Murguía
Organización Tzuul Taka, Alta Verapaz	Kenay Oloman Calel Valdez

ANNEX 6: BIBLIOGRAPHY

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This report was written by Glenda Rodas (Action Against Hunger Guatemala) and Emilie Arnaud (CashCap technical advisor hosted by Action Against Hunger Guatemala).

The market data was collected in Cuilco, San Ildefonso Ixtahuacán Guatemala and Amatenango Mexico in March 2021 by Luis Manrique Velásquez, July Raquel Mazariegos Pérez and Emilie Arnaud

Photo n.1: Entrance of Canibal market, 11.03.21