

Market Development Reaching the Most Vulnerable

Asia Regional Knowledge Sharing Meeting



Richard Rose, iDE, Fouzia Nasreen, Swisscontact & F. Conor Riggs, iDE

Richard Rose

Technical Director – Programs for
International Development Enterprises (iDE)
in Bangladesh



**Responsible for the Food Security and Nutrition and
Agricultural Markets portfolios. Including:**

- ✓ **Profitable Opportunities for Food Security (PROOFS) project funded by the Embassy of the Kingdom of the Netherlands (EKN)**
- ✓ **USAID-funded Cereal Systems Initiative South Asia – Mechanization and Irrigation (CSISA-MI)**
- ✓ **iDE’s technical advisory support to the USAID MYAP Program for Strengthening Households Access to Resources (PROSHAR)**

Previously a consultant for Swisscontact for the AusAID-funded Introducing Market Development Indonesia (IMDI) program



**Market Development: Reaching the Most Vulnerable
The Westin Hotel, Dhaka, March 3, 2015**



Fouzia Nasreen

General Manager, Making Markets Work
for the Jamuna, Padma and Teesta Chars
(M4C) Project

- ✓ M4C facilitates market systems for the poor living on the chars- which are vulnerable islands on the major rivers in Northern Bangladesh. M4C is funded by SDC and implemented by Swisscontact and Practical Action.
- ✓ Fouzia has worked for 10 years with Swisscontact beginning with the Katalyst market development project. Worked in the design, implementation and monitoring of interventions in rural sectors.
- ✓ Masters degree in Business Administration from University of Dhaka



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F. Conor Riggs

Technical Director – Programs for
International Development
Enterprises (iDE) in Bangladesh



- ✓ Responsible for the WaSH and Technology Innovation portfolios. Including:
- ✓ iDE's SanMark program which uses M4P and Human-Centered Design (HCD) approaches to generate affordable, accessible and aspirational products and services which benefit the poor.
- ✓ Leads iDEsign product innovation and the innovation and quality assurance (iQ) teams at iDE-B
- ✓ Previously worked for organizations including The SEEP Network, FHI 360, and the U.S. Department of the Treasury.

Session Objectives and Overview



Objective 1: Describe the pros, cons, and trade-offs inherent in facilitative/ market development and direct delivery approaches

Objective 2: Evaluate two cases of how market development has been able to reach the vulnerable in Bangladesh

Objective 3: Formulate your takeaways and lessons learned and apply these to your own work

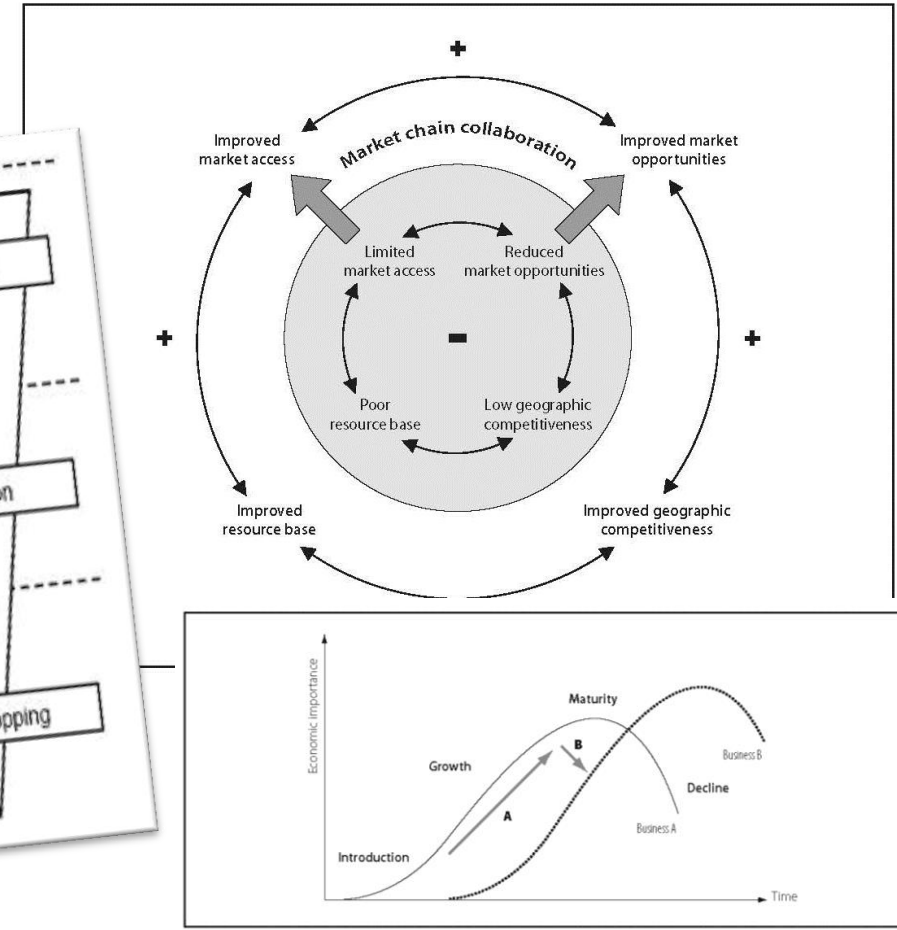
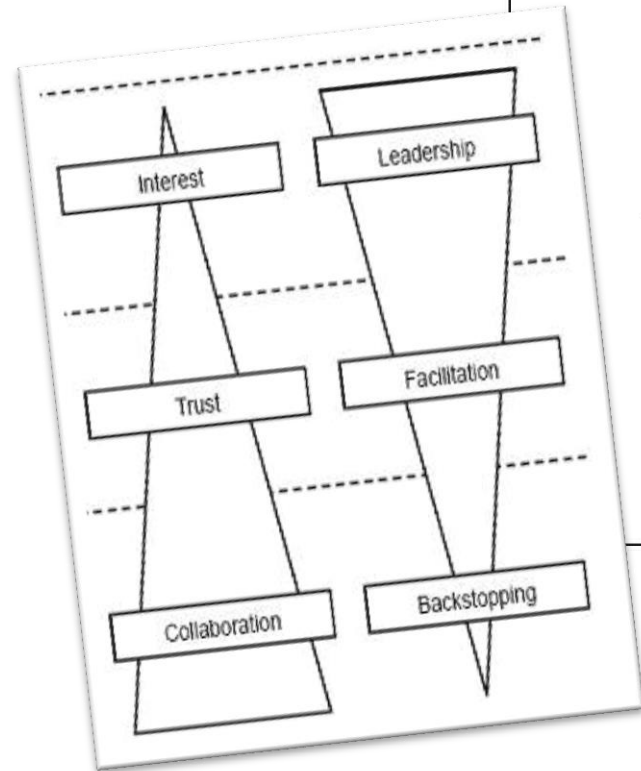
1. Brief overview presentation, Richard Rose, iDE
 2. Case studies:
 - Market Development in the Context of the Chars presentation, Fouzia Nasreen, Swisscontact
 - SanMark Programs Portfolio Case study with F. Conor Riggs, iDE
 - Q&A session with the key speakers, facilitated by Richard Rose
 3. Group task to identify takeaways and learning points and applicability to their work, facilitated by all speakers
- Wrap Up



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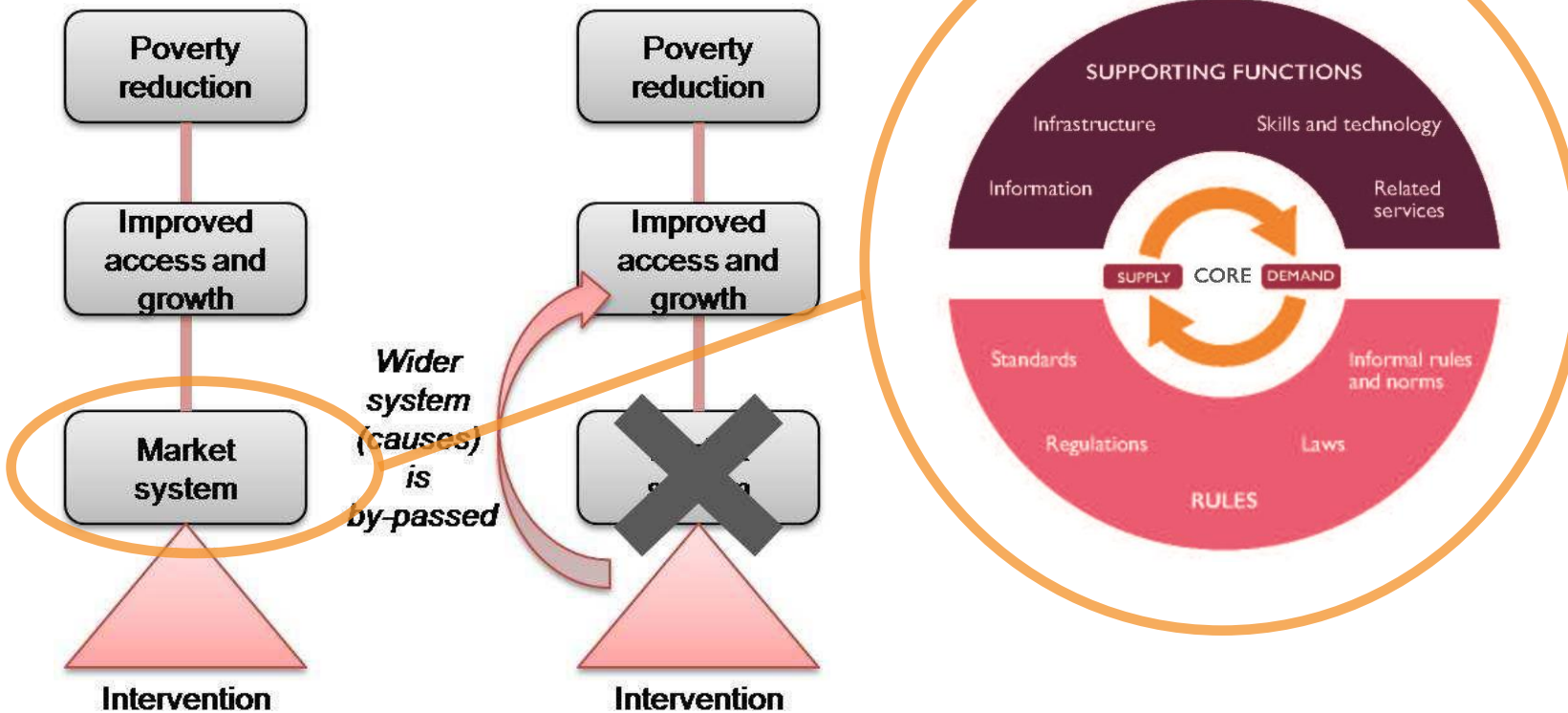
Market Facilitation/ Market Development

- ✓ Facilitation approach seeks to change the behaviors of market actors in a way which is beneficial to a target (poor) group without the project taking a direct role
- ✓ Focuses on enabling market actors to respond and adapt to changes in market trends or in the enabling environment
- ✓ Interested more in the durability of the new 'system' rather than the individual players involved. Seeks replication, and ongoing re-investments.



Figures from: Bernet T., Thiele G. and Zschocke T., 2006. *Participatory Market Chain Approach (PMCA) – User Guide*. International Potato Center (CIP) – Papa Andina, Lima, Peru.

Making Markets work for the Poor (M4P) methodology



- ✓ Promoted by DFID, SDC. posits that all poor people already participate in markets
- ✓ M4P looks at the core value chain, the supporting services, and the enabling environment of a market 'system'
- ✓ Interventions can be designed through systems analysis - identifying weaknesses/ opportunities in the system which can be addressed (or capitalized upon).

Springfield Centre: www.springfieldcentre.com

Facilitation/ Market Development

Pros/ Advantages

Cons/ Challenges

- Facilitation/ market based interventions are **cost effective** as they leverage funds from existing market actors.
- Where the 'root causes' of market failure are tackled **results are more likely to be sustainable, replicable, and scalable.**
- Decision-making and agency are rooted in the **market actors** rather than the external agencies – the users decide what to do and how to buy: 'voice of the customer'
- Interventions are 'stress-tested' against reality on the ground. Need for contextualization and recalibration works against the deployment of standardized models.

- **Reliance on investments by market actors carries an inherent risk** – willingness or capacity to participate may change.
- **Results may be slow to materialize** (front-loading investments and back-loading results) and difficult to measure. Requires new ways of measurement.
- **Facilitation requires different skill sets** than most project field staff possess (such as negotiation and deal-making).
- **Loss of fidelity in targeting interventions.** Difficulty in channeling products/ services to the 'poorest' through market actors/ service providers.

Adapted from: Harnessing Market Power for Rural Sanitation: Private Sector Sanitation Delivery in Vietnam, WSP Field Note, February, 2005

Adapted from: USAID Briefing Paper: Understanding Facilitation, Accelerated Microenterprise Advancement Project (AMAP). Ruth Campbell (ACDI-VOCA), Jeanne Downing (USAID).



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Who are the Most Vulnerable?

SDC (2015) 'SDC understands the poor as those people who earn less than USD 1.25 per day. The disadvantaged are those people, who are not only poor but also excluded from rights or services in particular for social or political reasons'



'Chronic poverty with deep-seated structural causes'. Key issues identified as:

- Insufficient economic opportunities
- Poor access to public services and transfers
- Vulnerability to external shocks
- Health and nutrition vulnerability
- Gender inequality
- Marginalized group specific risks and vulnerability

DFID Shiree, Manifesto for the Extreme Poor.

USAID (2015) 'The poor and extreme poor lack assets to enable them to bounce back from the recurrent shocks and stresses, resulting in a vicious cycle of poverty'



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CASE STUDY PRESENTATIONS

Fouzia Nasreen and F. Conor Riggs



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Making Markets Work for the Jamuna, Padma and Teesta Chars (M4C)

Market Development- Reaching the Most Vulnerable
FSN Knowledge Sharing Meeting, Dhaka

03 March 2015

About Swisscontact

www.swisscontact.org

- Swisscontact was established in 1959 as an independent foundation made up of notable figures from the worlds of commerce and science in Switzerland.
- It is exclusively involved in international co-operation and since 1961 has carried out its own and mandated projects.
- Since it was founded, Swisscontact has had close ties with the private sector.
- We have presence in 27 countries with 110 projects.



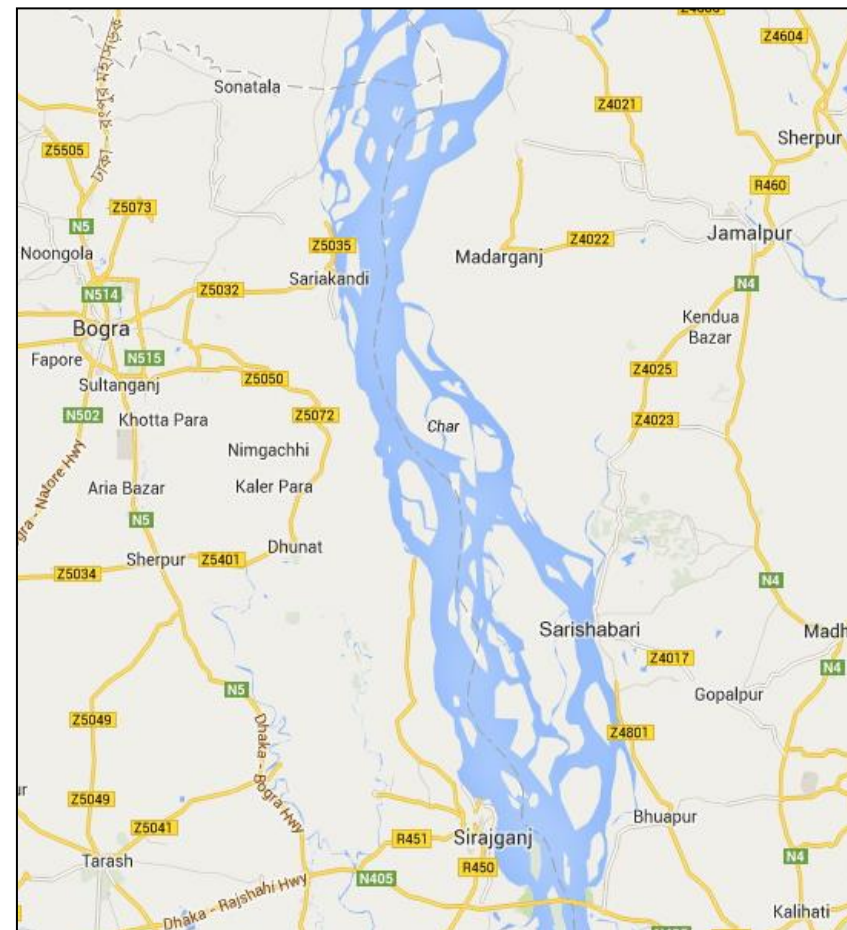
Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

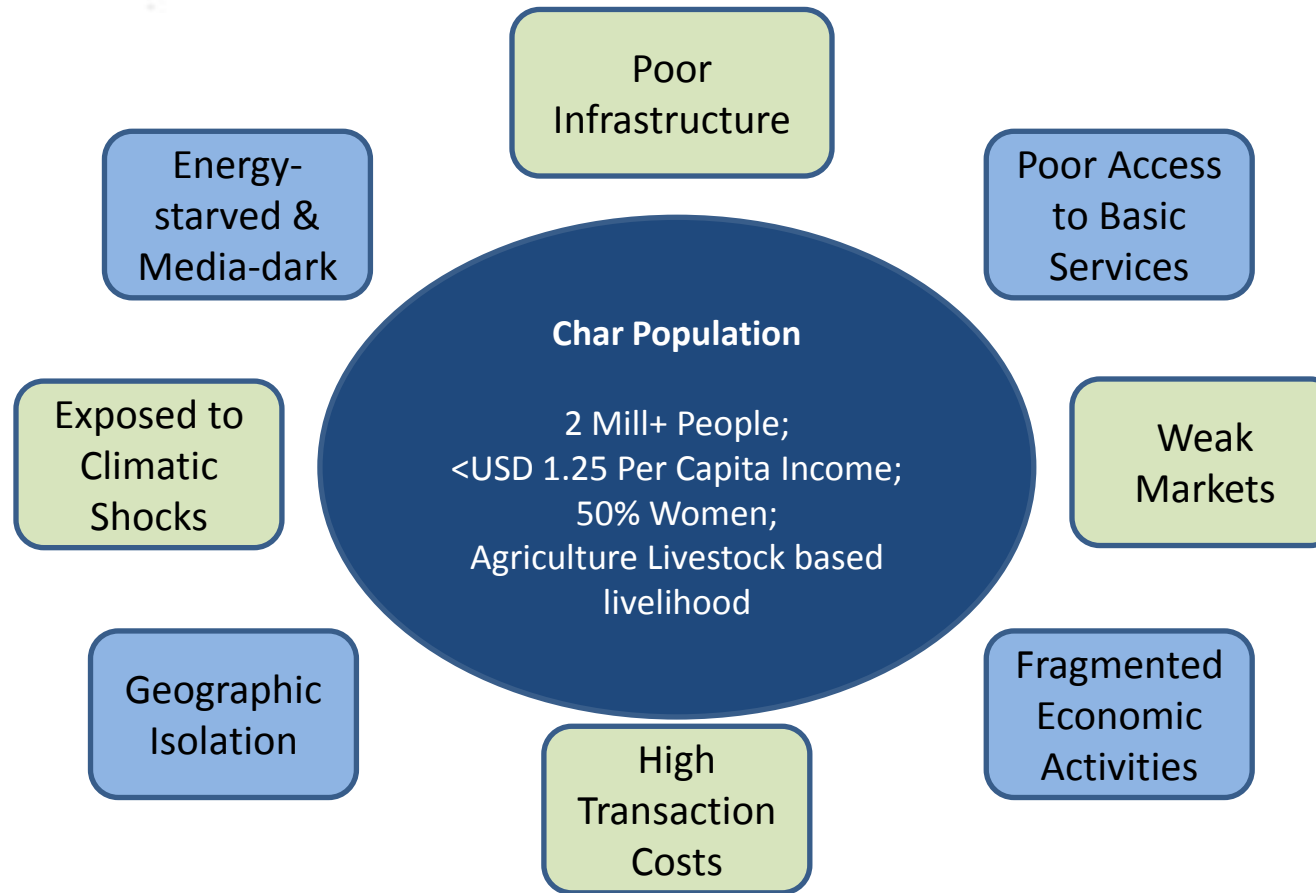



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M4C Target Locations



About Chars



Public and private sector services do not reach the chars

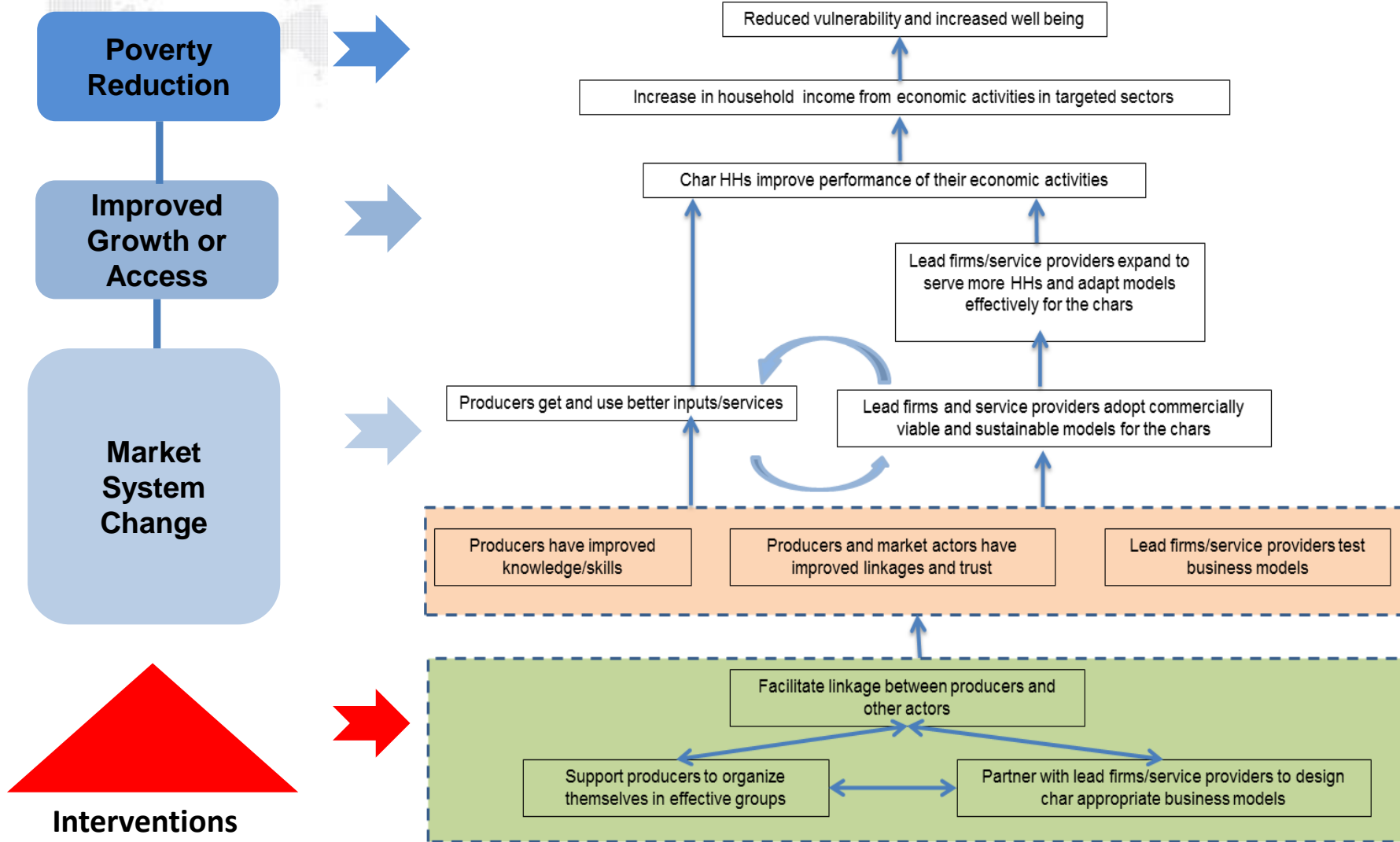
M4C Portfolio



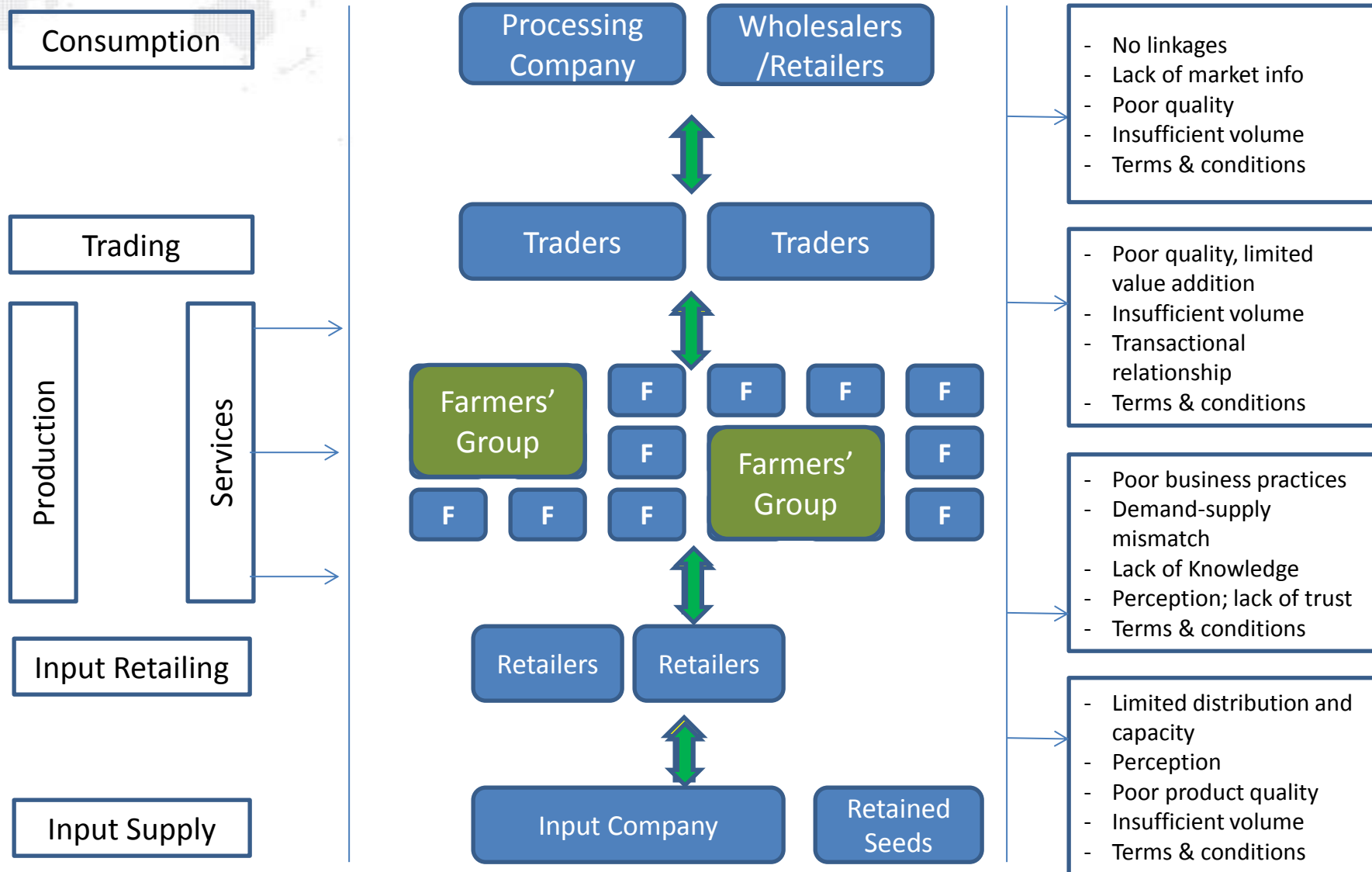
Char Transport Services (River/Inland)

Financial Services, Media/Communication Services

Theory of Change



Agricultural Market System

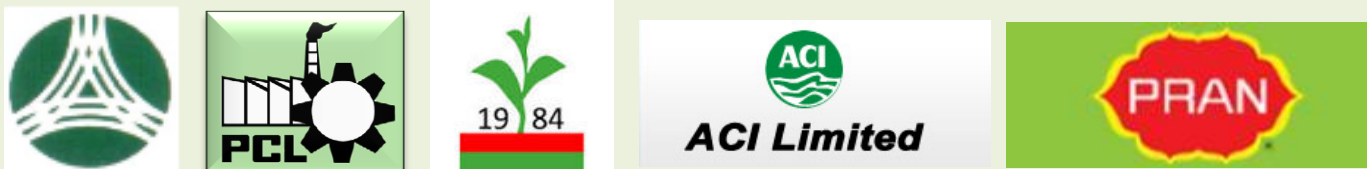


Project Partners

Public



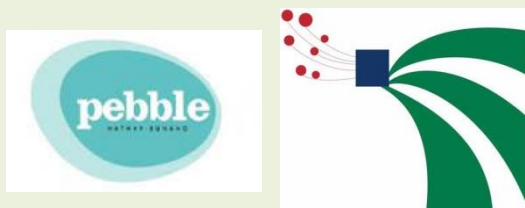
Private (Agro)



Private (Others)



Private (Others, Local)



Maize Contractors (21), Traders (200)
Shelling Service Providers (40)
Drying Material Service Providers
Silage/Storage Service Providers

Addressing Vulnerability of Char Women

Targeted interventions

(Introducing new income earning opportunities for char women)

- Forming women groups
- Facilitating skills training on handicrafts
- Linking to markets

Integrated interventions

(Enhancing existing role of women in agro-sectors)

- Facilitating knowledge provisions in services / business models

Dialogue & Informing

(Motivating public/ private sector on WEE issues)

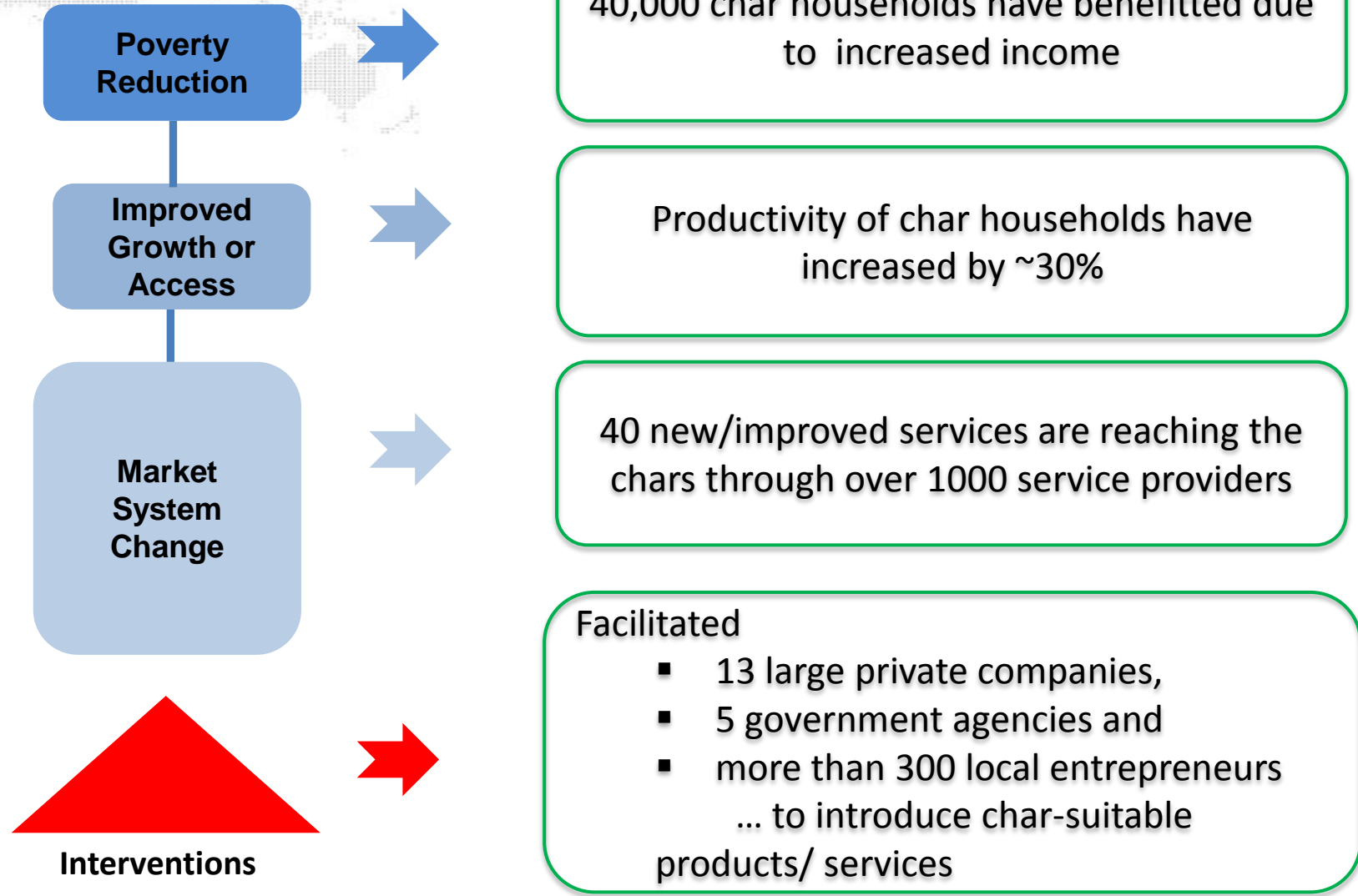
- Testing pilots
- Feeding back from research findings



Addressing Vulnerability from Disaster Risks

- Reducing existing risks that disasters bring to the functioning of the market chain
i.e. ensuring access to char-suitable seeds that reduce loss from disasters
- Adapting to changing factors created by disasters
i.e. improving cropping practices such as early sowing to avoid loss due to disasters
- Preventing further risks to the market generated by disasters
i.e. facilitating new opportunities for access to financial protection

Results



40,000 char households have benefitted due to increased income

Productivity of char households have increased by ~30%

40 new/improved services are reaching the chars through over 1000 service providers

- Facilitated
- 13 large private companies,
 - 5 government agencies and
 - more than 300 local entrepreneurs
... to introduce char-suitable products/ services



Thank you



Mission to create **income and livelihood opportunities** for poor rural households.

iDE delivers **Market Systems Development** through:

- Founded in 1982
- iDE currently operates 12 country programs in Asia, Africa, and Latin America
- Delivered more than 250 projects in market and private sector developed valued at over \$150 million in over 20 countries worldwide
- Funding from more than 90 donors, including USAID, the Bill and Melinda Gates Foundation, DFID, CIDA, and the World Bank
- Recipient of over 10 international development and design awards since 2004
- Employs over 500 staff worldwide

- Technology commercialization
- Institutional commercialization
- Product design and innovation

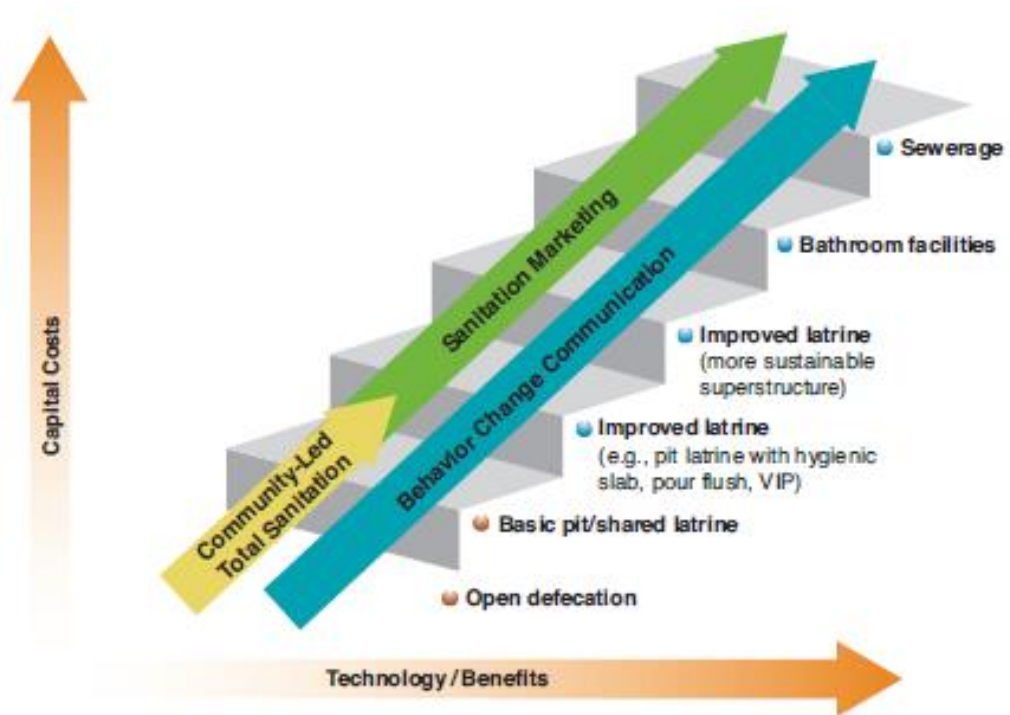
Focused on:

- **Agricultural Markets**
- **Food Security & Nutrition**
- **Water, Sanitation & Hygiene (WaSH)**
- **Technology & Innovation**



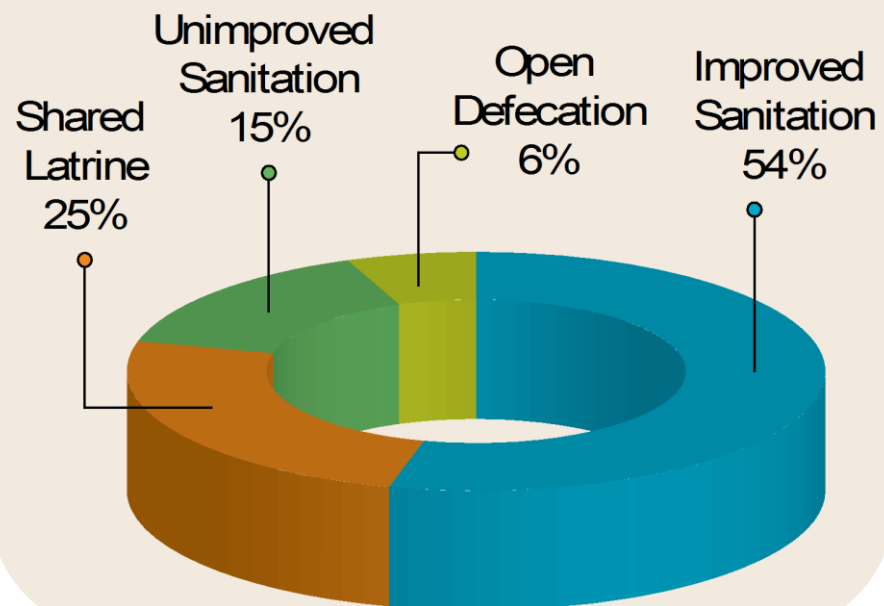
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Bangladesh lack improved sanitation facilities



The Goal

JMP 2010: Sanitation Coverage

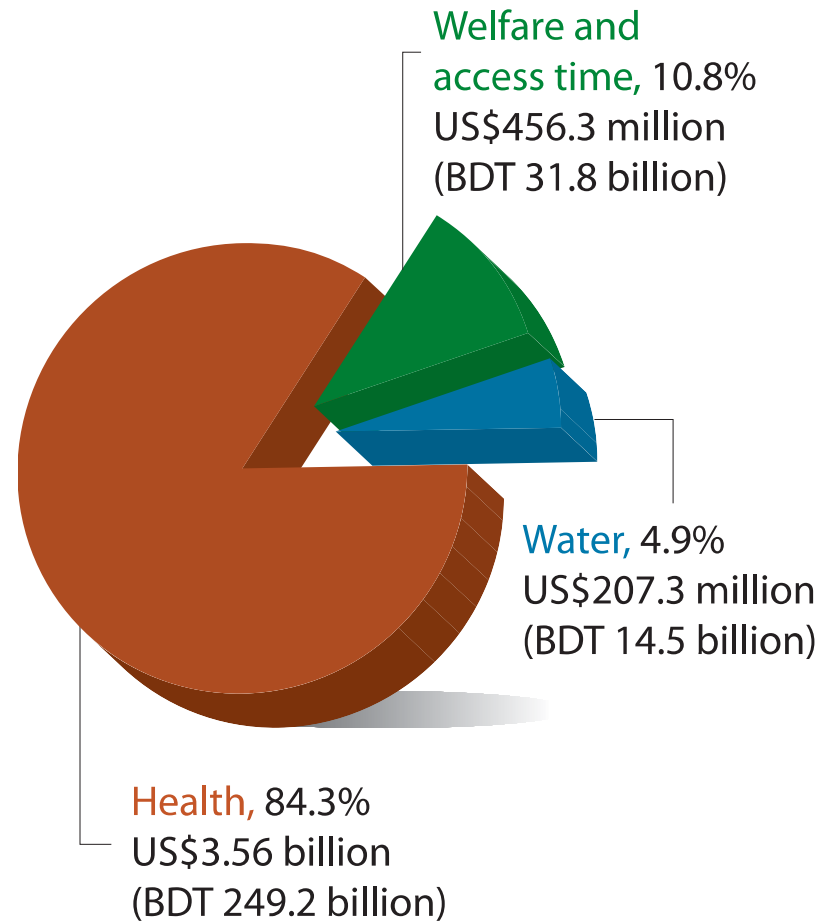


The Reality

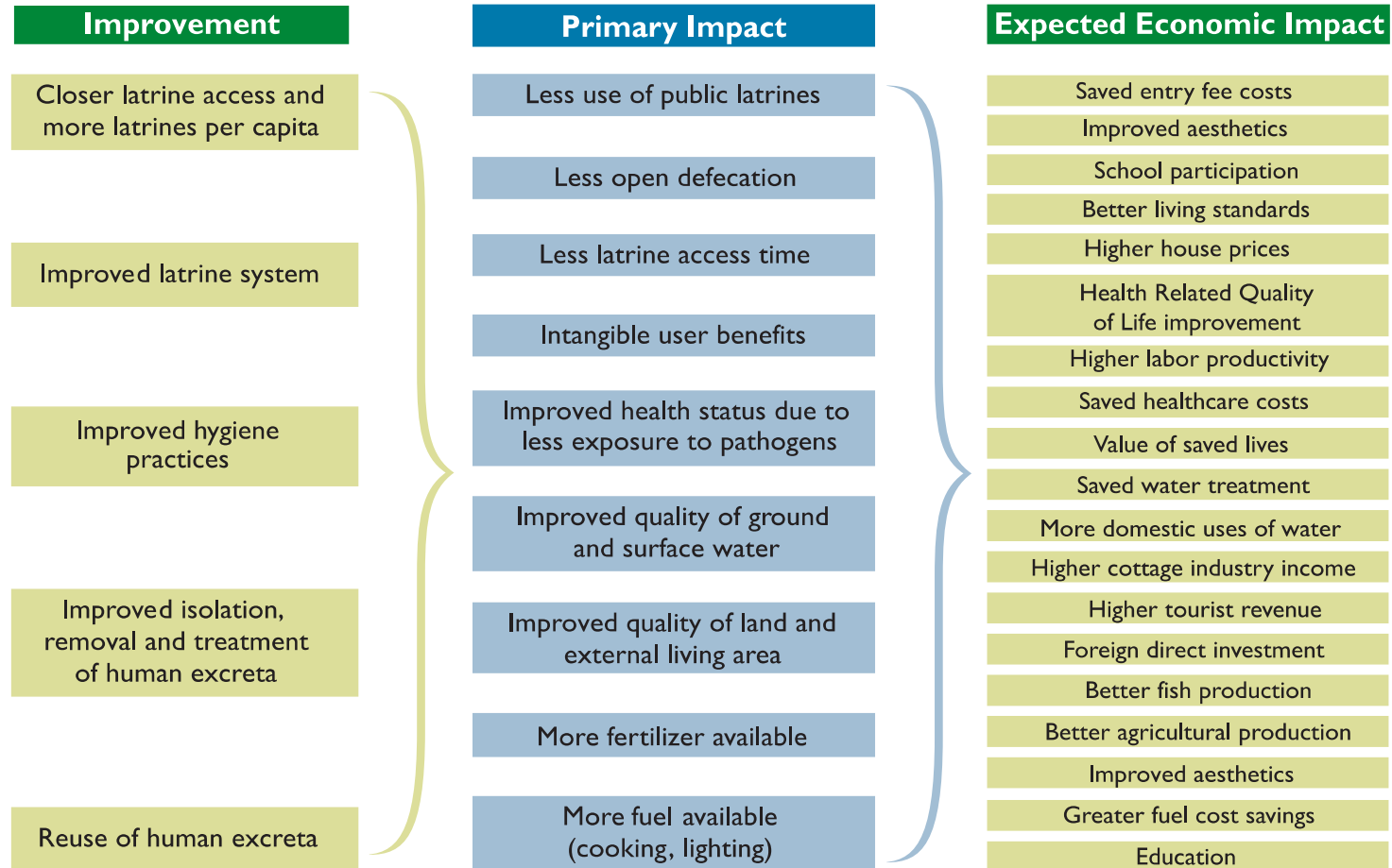


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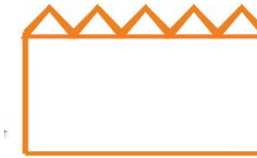
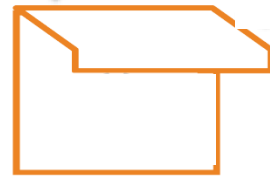
Inadequate sanitation brings a cost



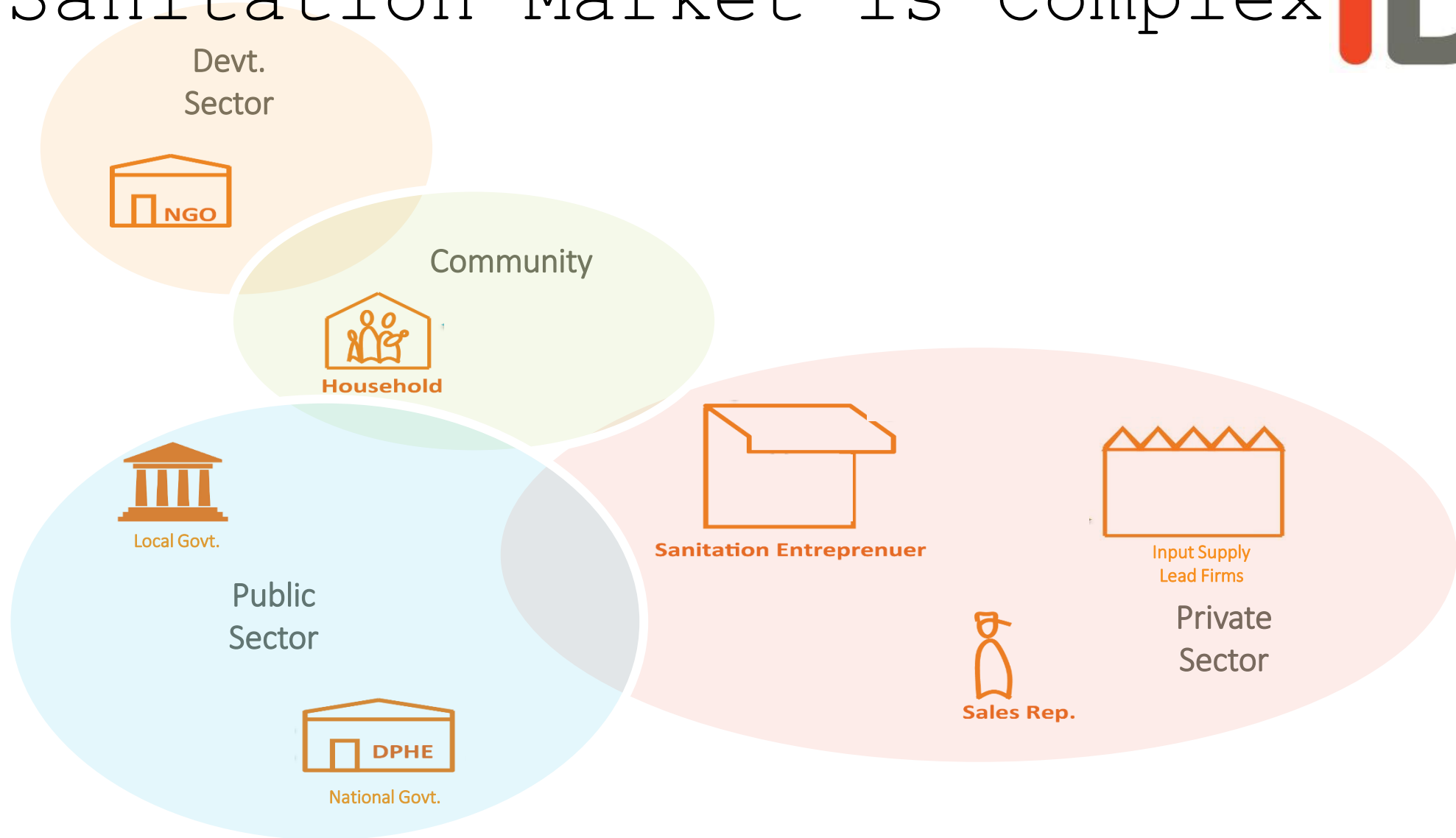
Improved sanitation reduces vulnerability



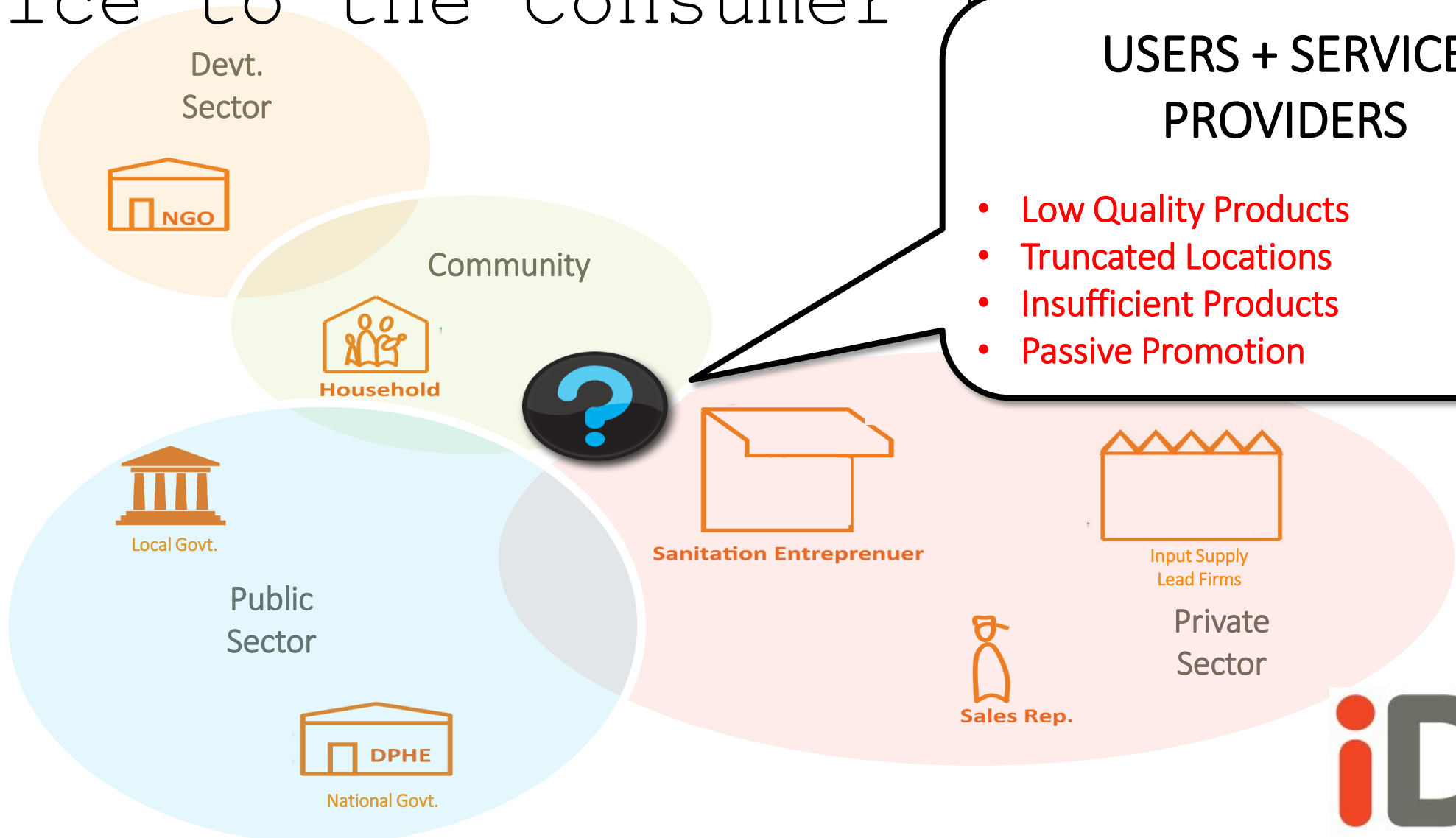
The Sanitation Market is Complex **iDE**



The Sanitation Market is Complex **iDE**

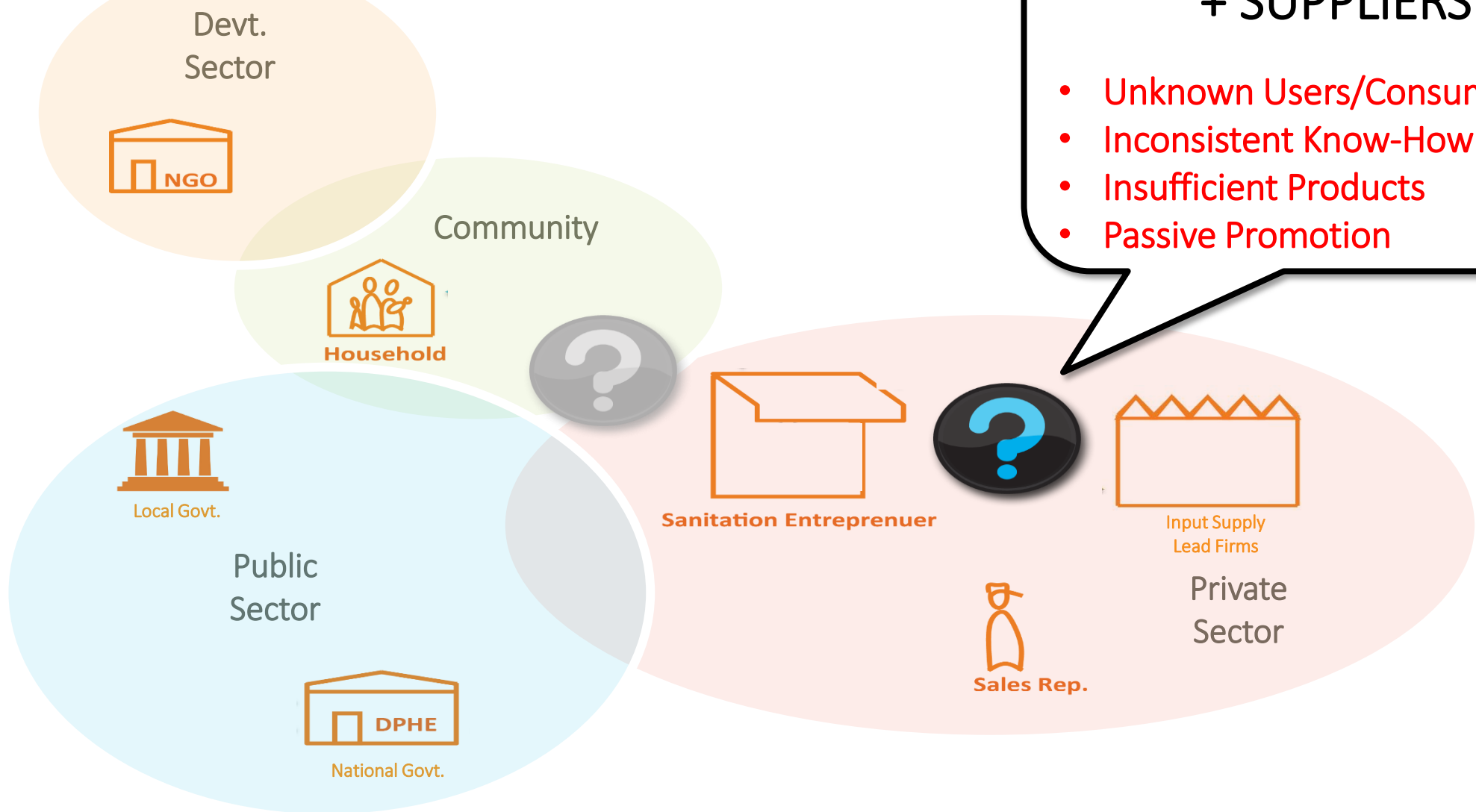


Service to the Consumer

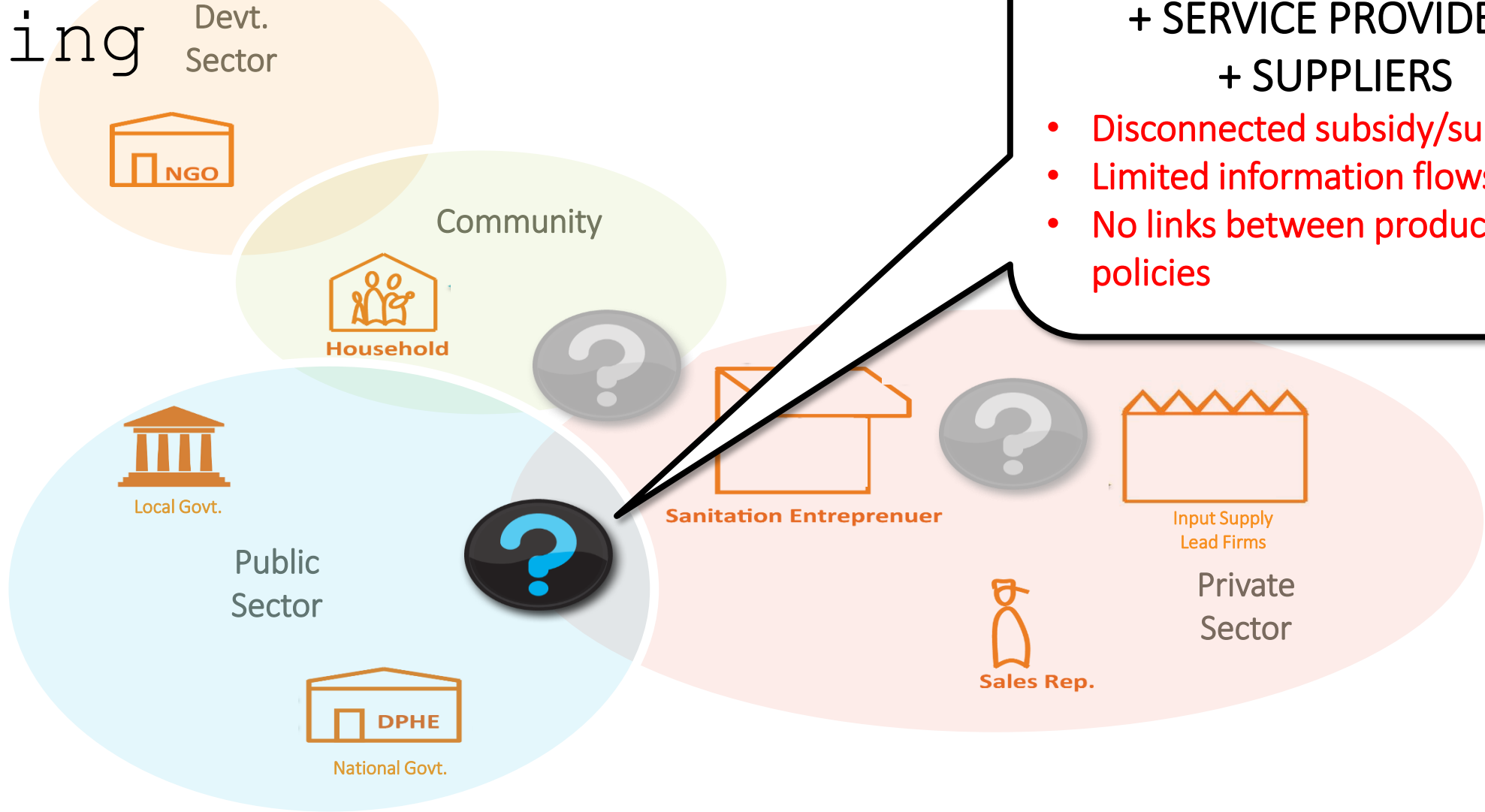


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Small enterprises are unsupported



Public Private Partnerships Missing



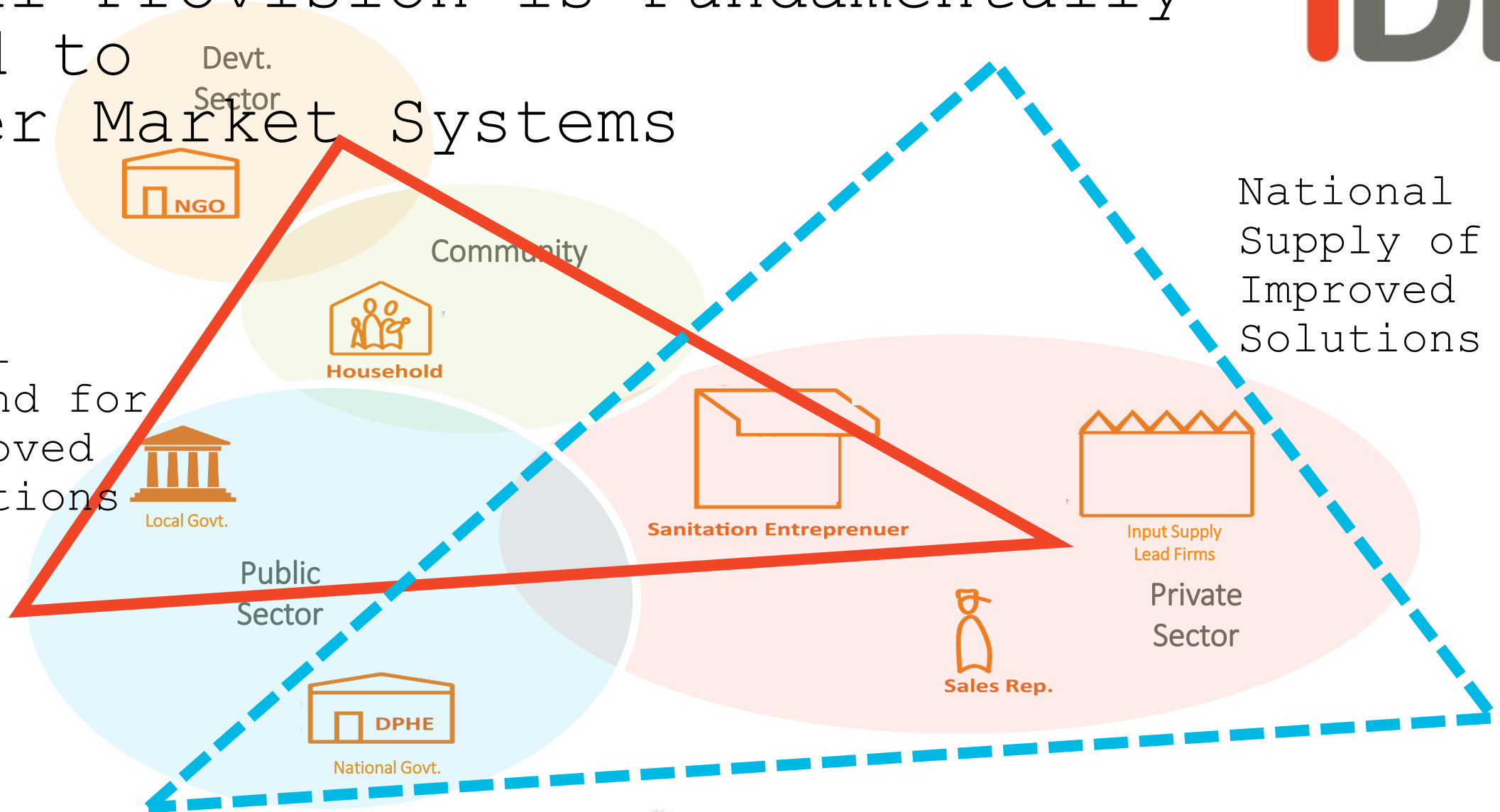
**ENABLING ENVIRONMENT
+ SERVICE PROVIDERS
+ SUPPLIERS**

- Disconnected subsidy/supply
- Limited information flows
- No links between product & policies

Local Provision is Fundamentally Tied to Wider Market Systems



Local Demand for Improved Solutions

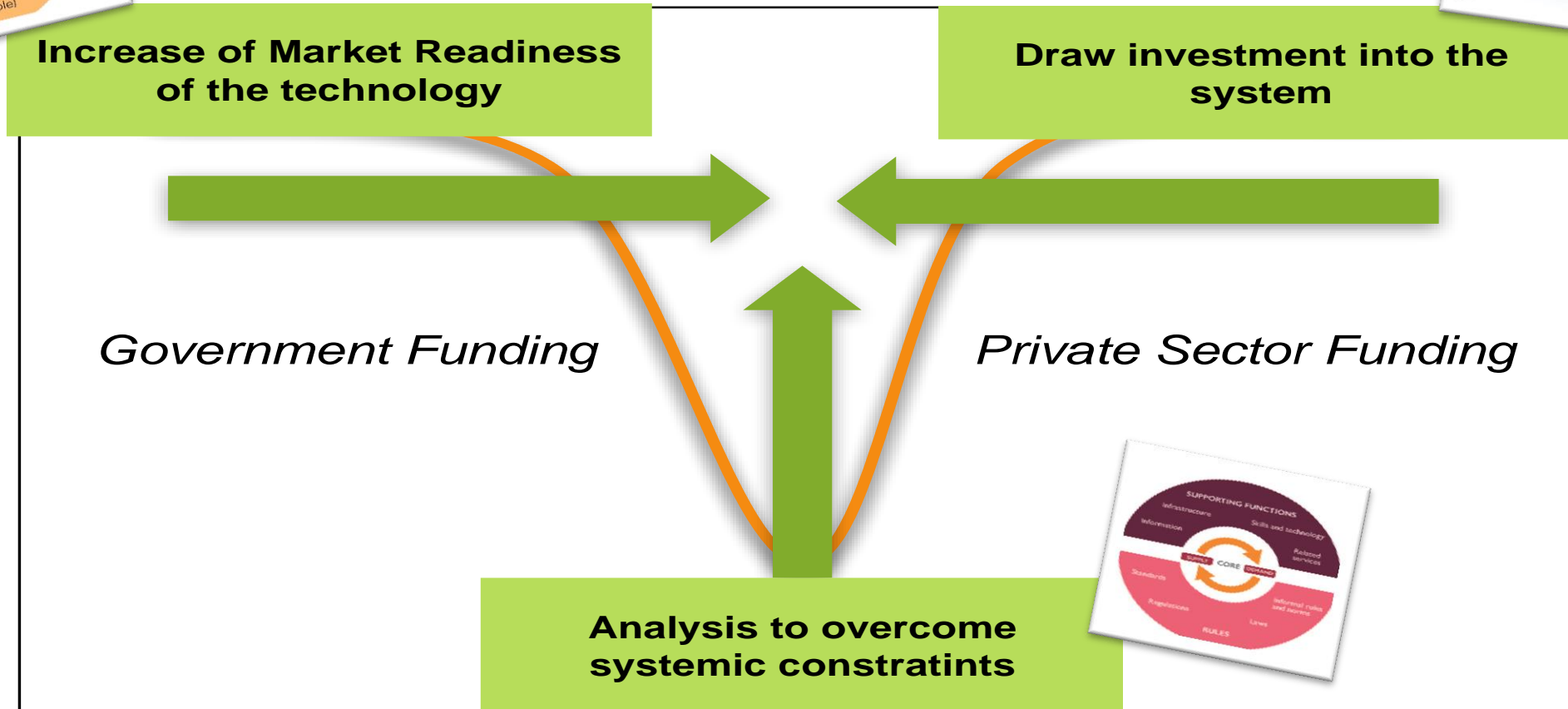


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Sanitation Marketing can help us link local provision to wider systems...



Research and Design Funding



Basic scientific research process

Products demonstrated and scaled-up

Sanitation Marketing combines demand & supply

Demand

Applying

Commercial Marketing
&
Social Marketing

to promote demand and uptake of durable hygienic sanitation facilities and services in a defined target market

Supply

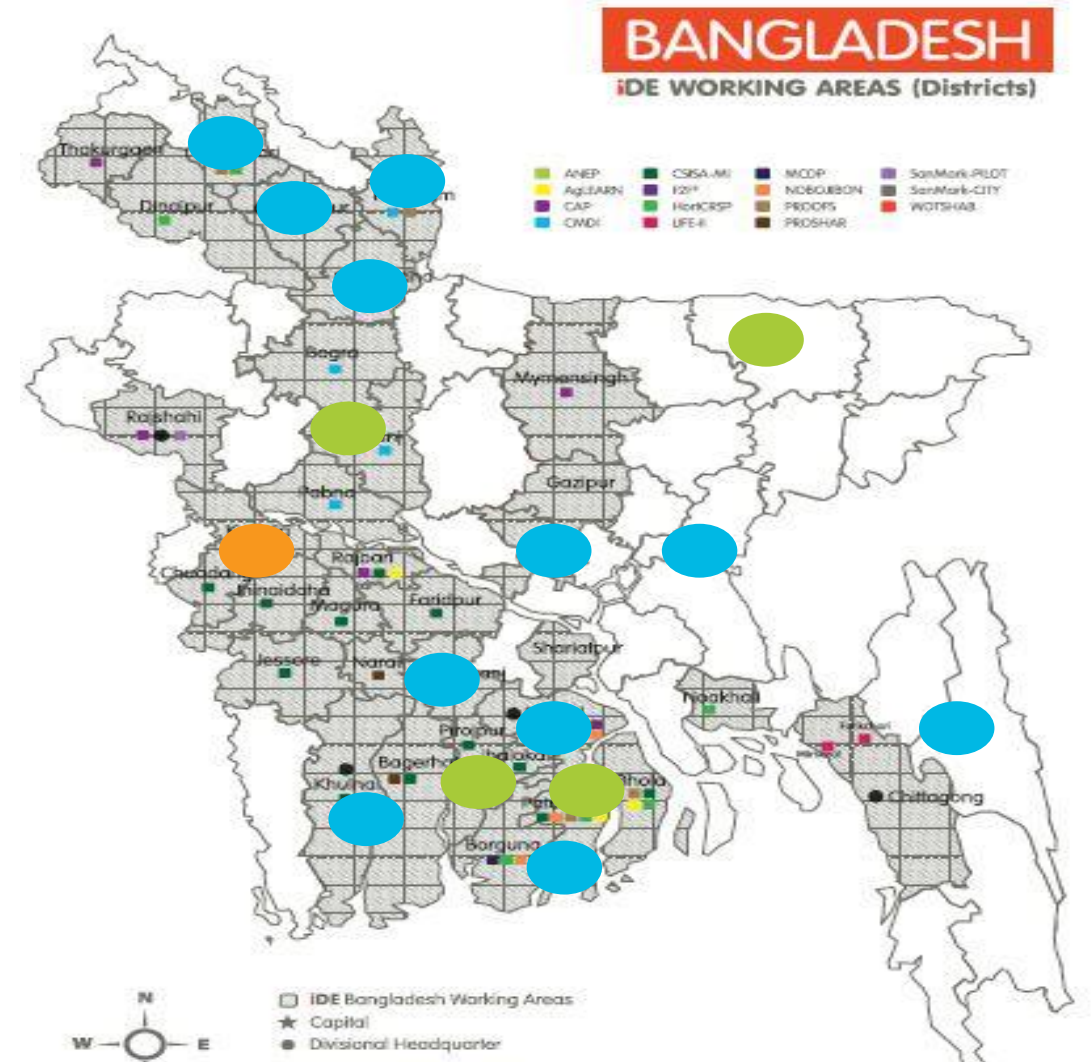
Applying

Human Centered Design,
Skills Training
&
Market Linkages

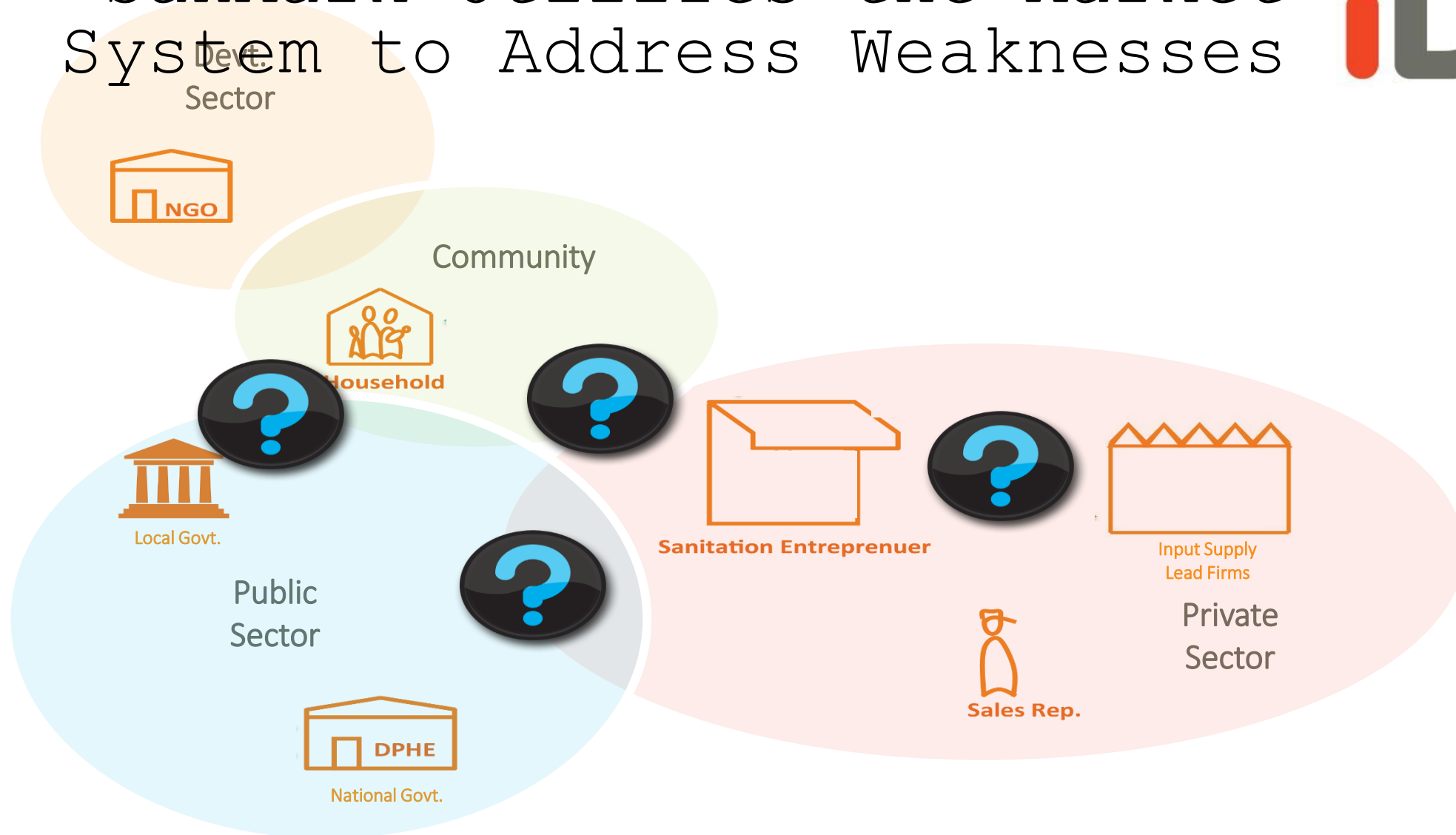
to develop desirable, affordable products and services that businesses can profitably produce and sell, and to expand supply and sales in target markets

iDE's SanMark Portfolio in Bangladesh

- SanMark-HYSAWA (2011)
- SanMark-PILOT (2012-2014)
- SanMark-SUPPORT: BRWSSP (2013-2015)
- PROOFS WASH (2013-2017)
- SanMark-CITY (2014-2015)
- SanMark-SEAMs (2014-2015)
- SanMark-SUPPORT: IFRC (2015-2018)
- SanMark-SYSTEMS (2015-2019)



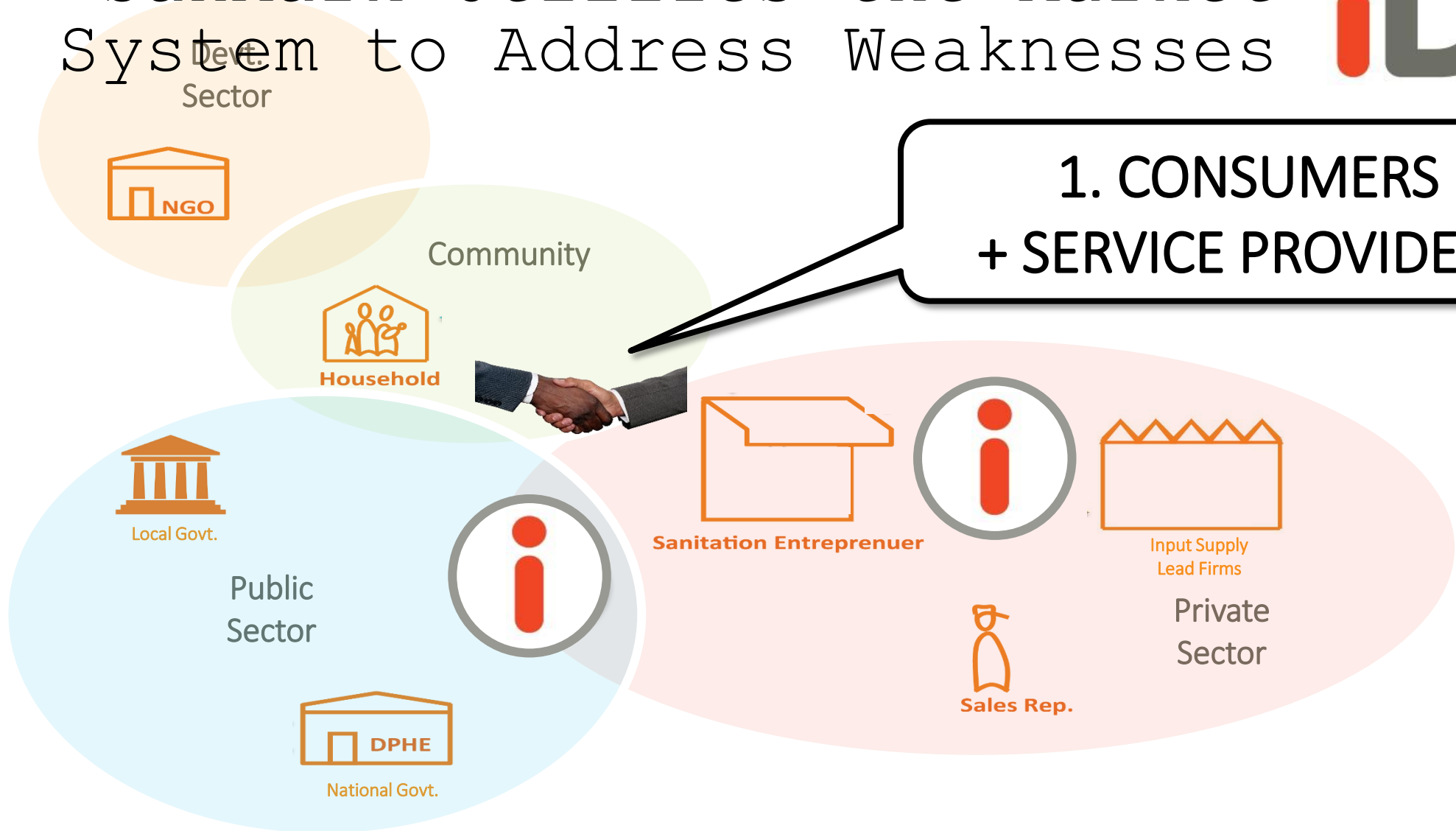
SanMark Utilizes the Market System to Address Weaknesses

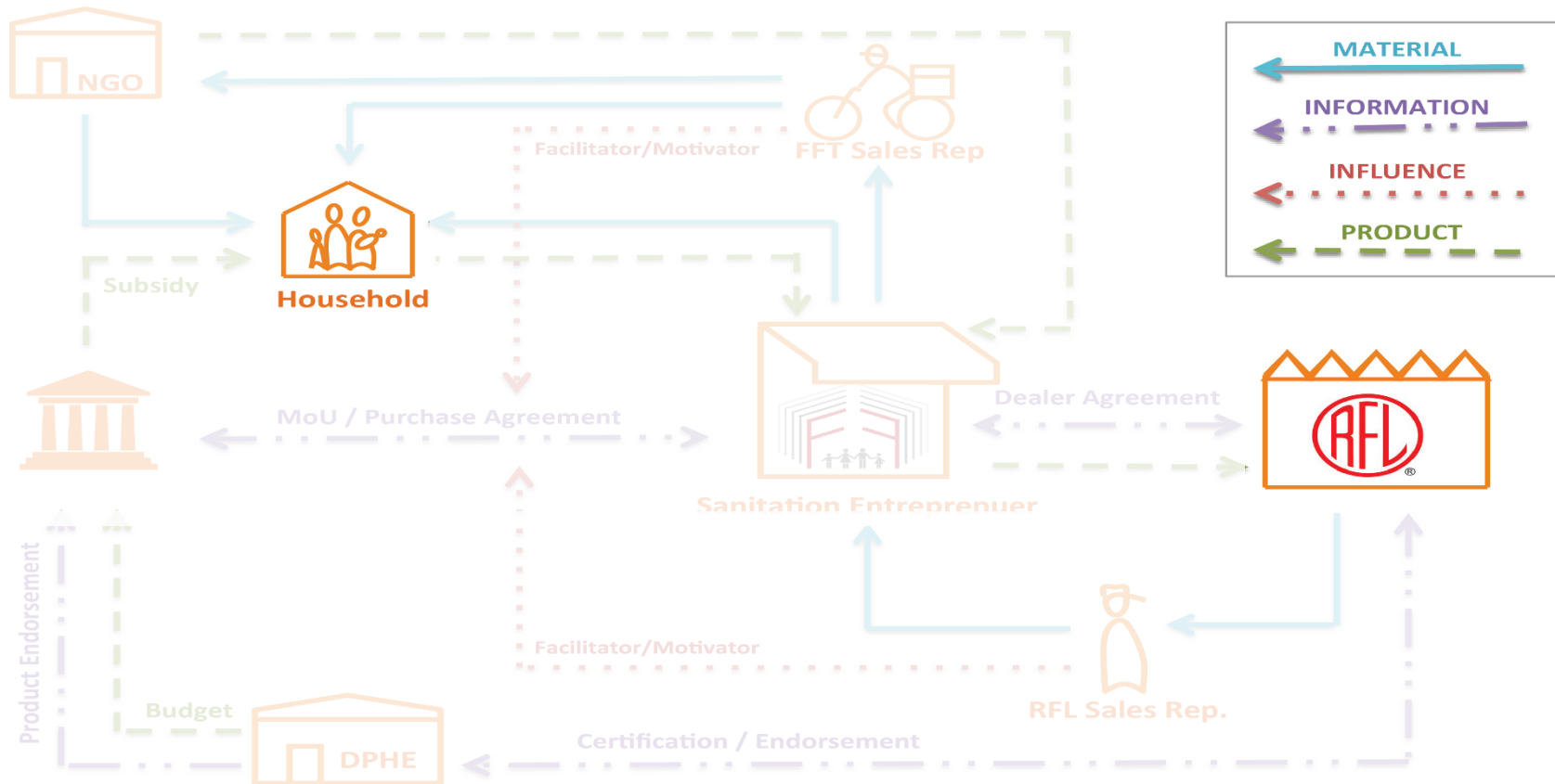


SanMark Utilizes the Market System to Address Weaknesses



SanMark Utilizes the Market System to Address Weaknesses







Getting the Product Right for Customer-Orientated Solution

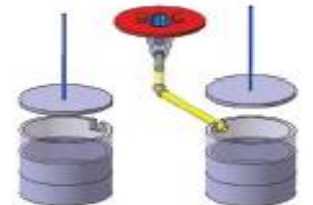
Through HCD, iDE developed a **desirable** product offering with a **basic needs** focus but **upgradeable**

HCD in Product Design and Marketing Package

- ✓ Simple hygienic design in the key component – the **SaTo®** Pan (developed with American Standard Brands)
- ✓ Packaged product into aspirational and upgradeable product range – the *Family Friend Toilet* (built upon the same core product)
- ✓ Selected price points to engage ALL local consumer levels USD \$10-\$50



Images and figures ©iDE, 2013-4.



PRIMARY
(10 USD)

SECONDARY
(15 USD)

HIGHER SECONDARY
(30 USD)

HONORS
(35 USD)

MASTERS
(50 USD)



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SanMark Utilizes the Market System to Address Weaknesses

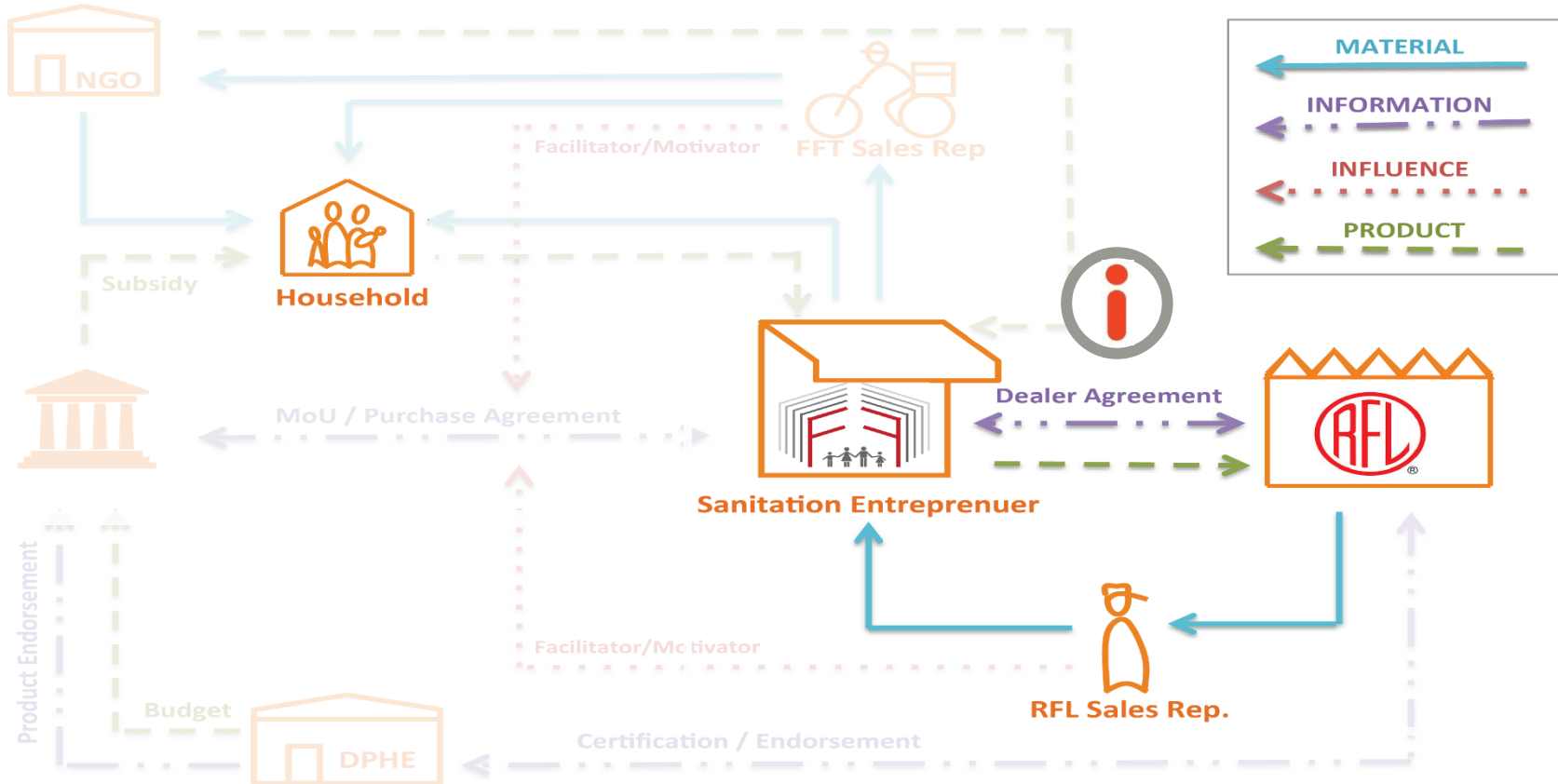
- In 2012-2013, iDE supported American Standard Brands to develop an improved latrine pan that was inexpensive but hygienic
- The SaTo pan
 - Is inexpensive (\$1.50 per unit).
 - The manufacturing can be sourced locally.
 - It lends itself easily to mass production and economies of scale.
- To date, over 300,000 SaTo pans have been installed in Bangladesh.



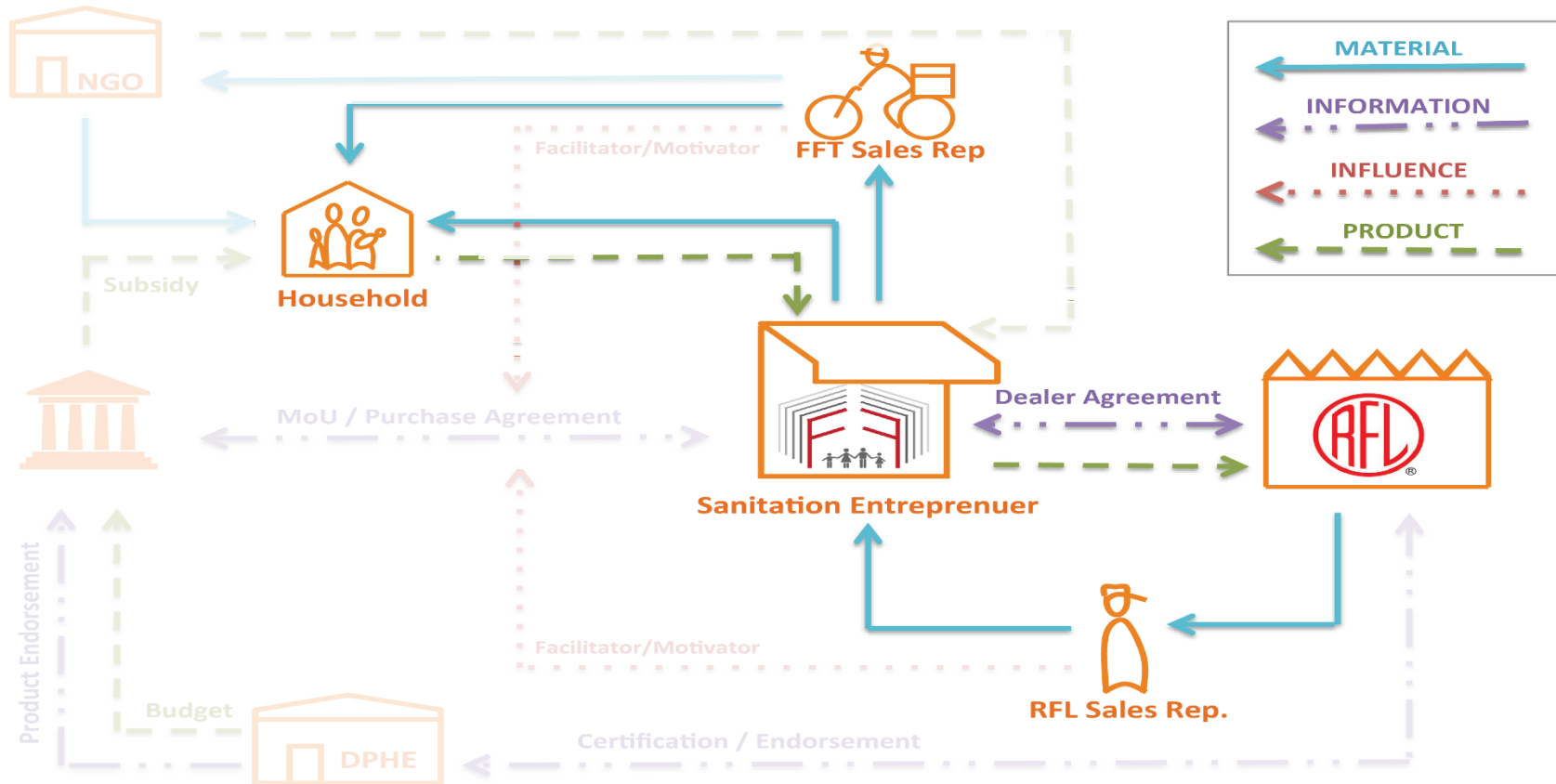
SanMark Utilizes the Market System to Address Weaknesses



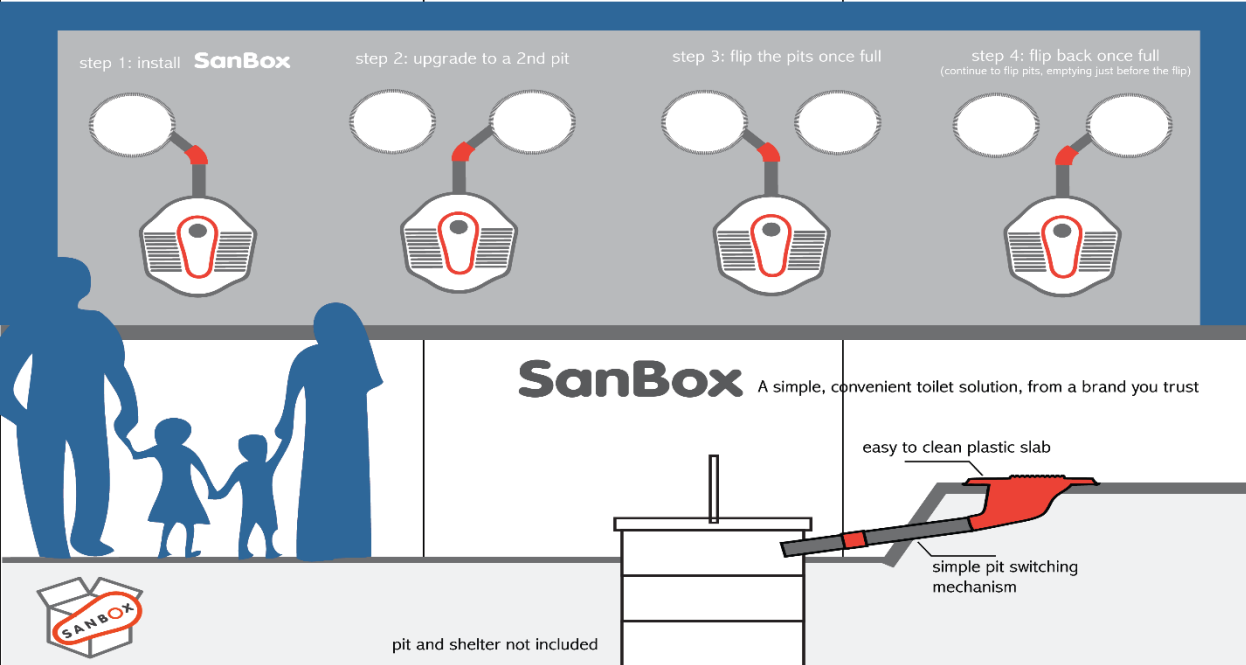
A critical step is linking
 “upstream” suppliers to small
 enterprises



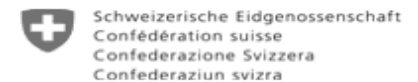
Small enterprises are then supported to more actively market sanitation to consumers



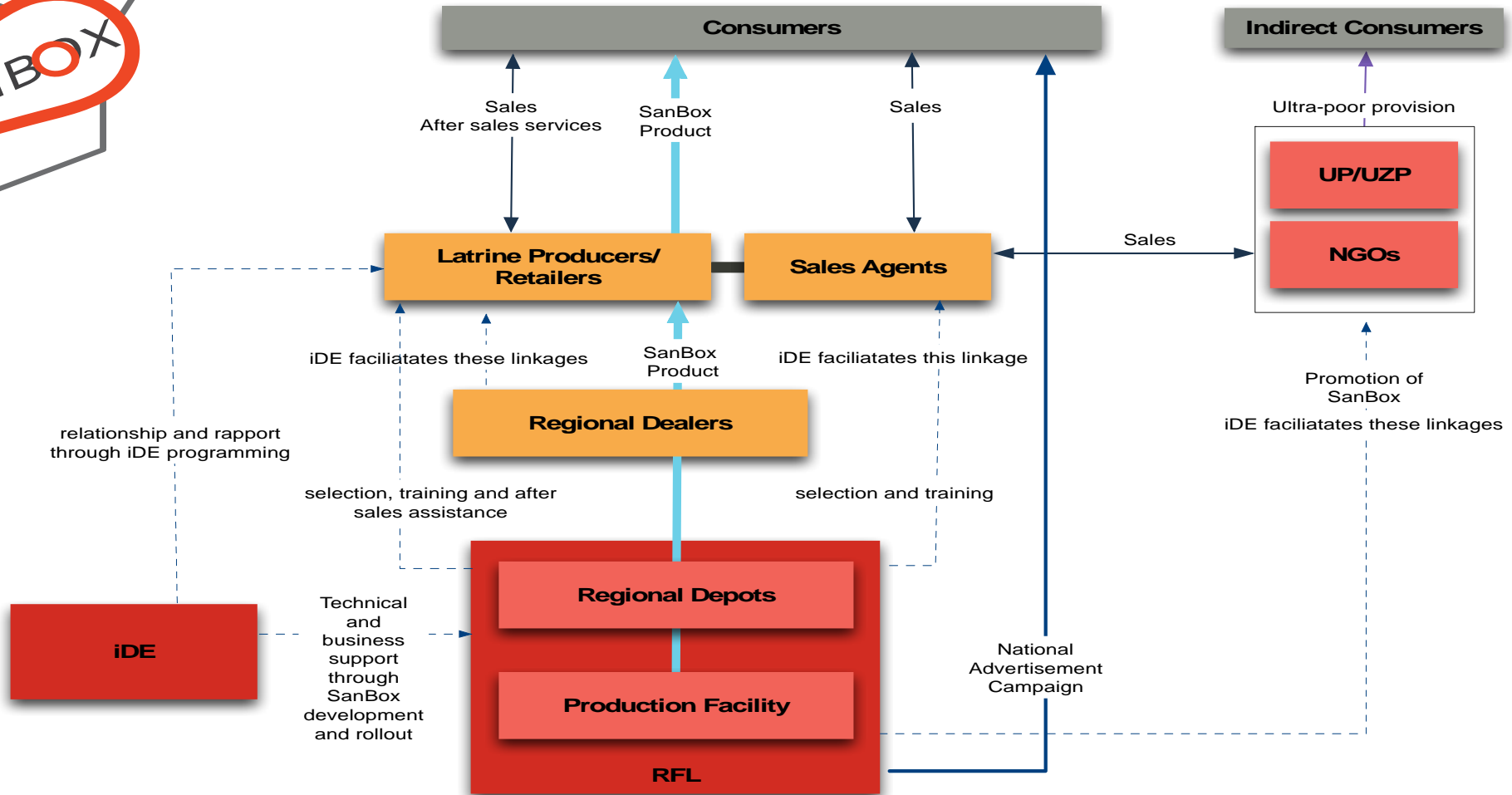
The SanBox



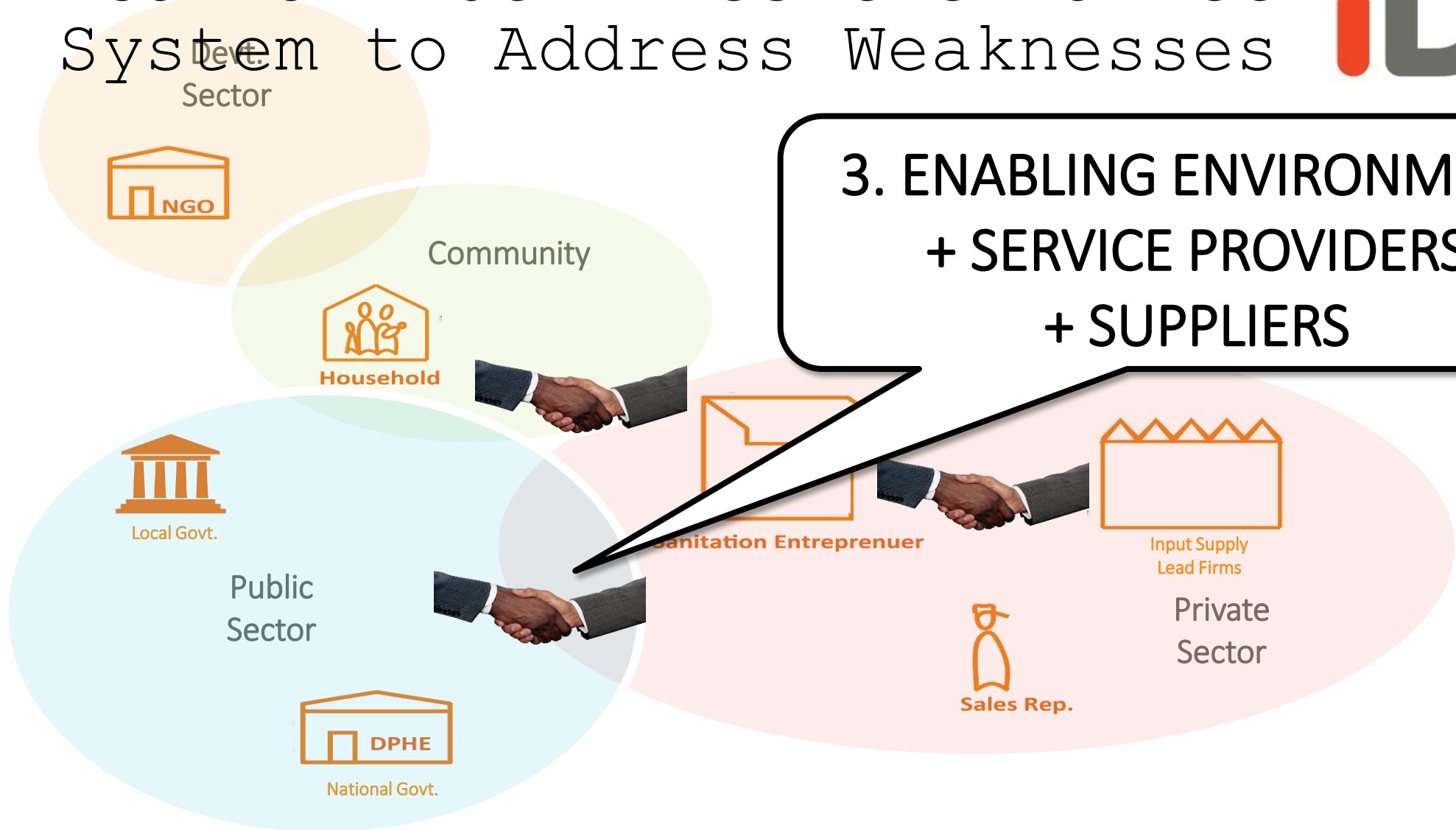
- The only complete, scalable, hygienic and inclusive, plastic latrine midstructure in a box for US \$20
- A Human Centered Design by iDE-Bangladesh that is safe, innovative, easy and high quality
- Designed to address the major quality control and installation concerns of rural latrines
- Pipe segments, elbow bend and brush included in box
- Upgradable from single to twin pit
- Faulty product replacement guarantee
- Market entry in Bangladesh Q4-2014



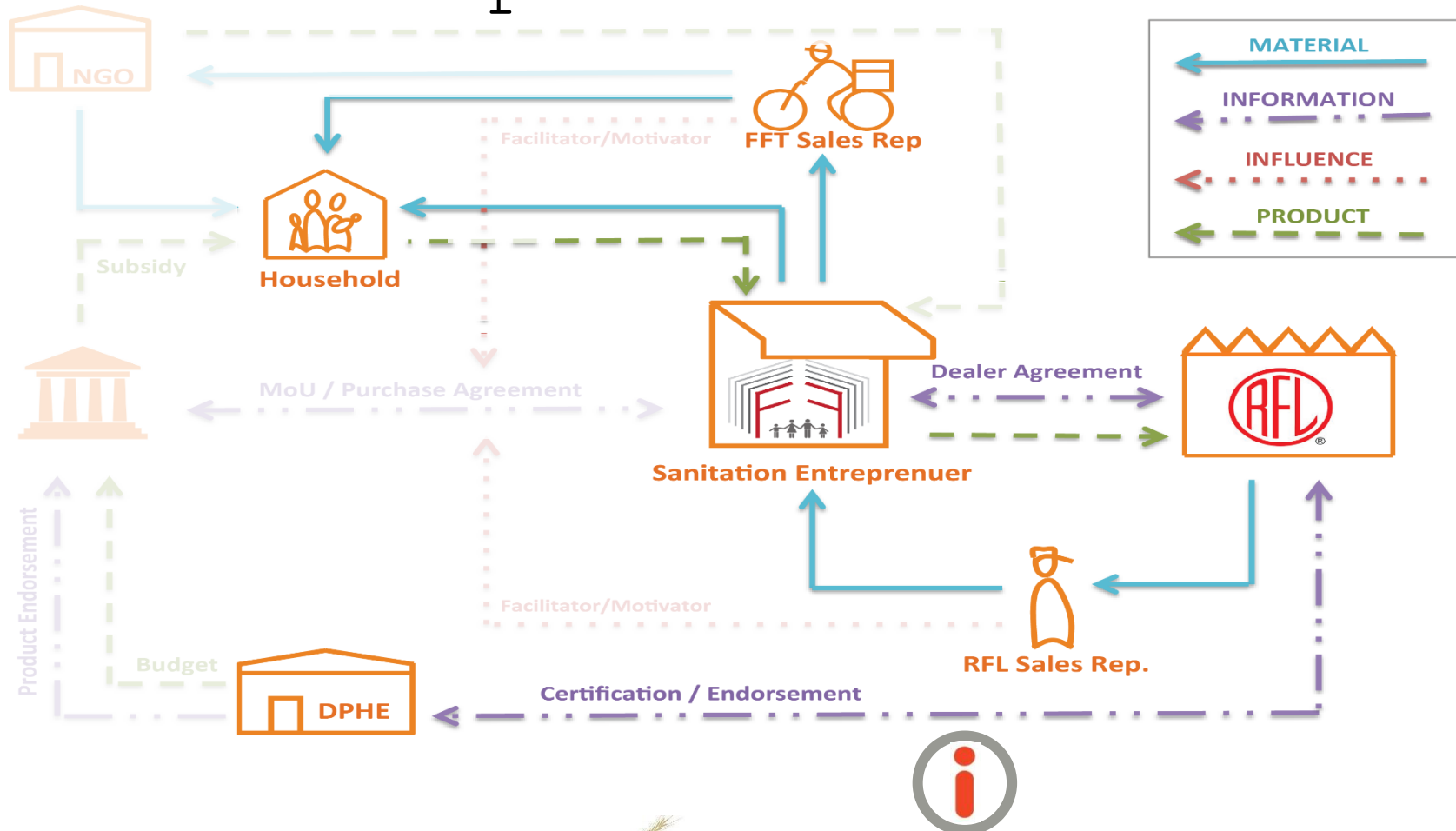
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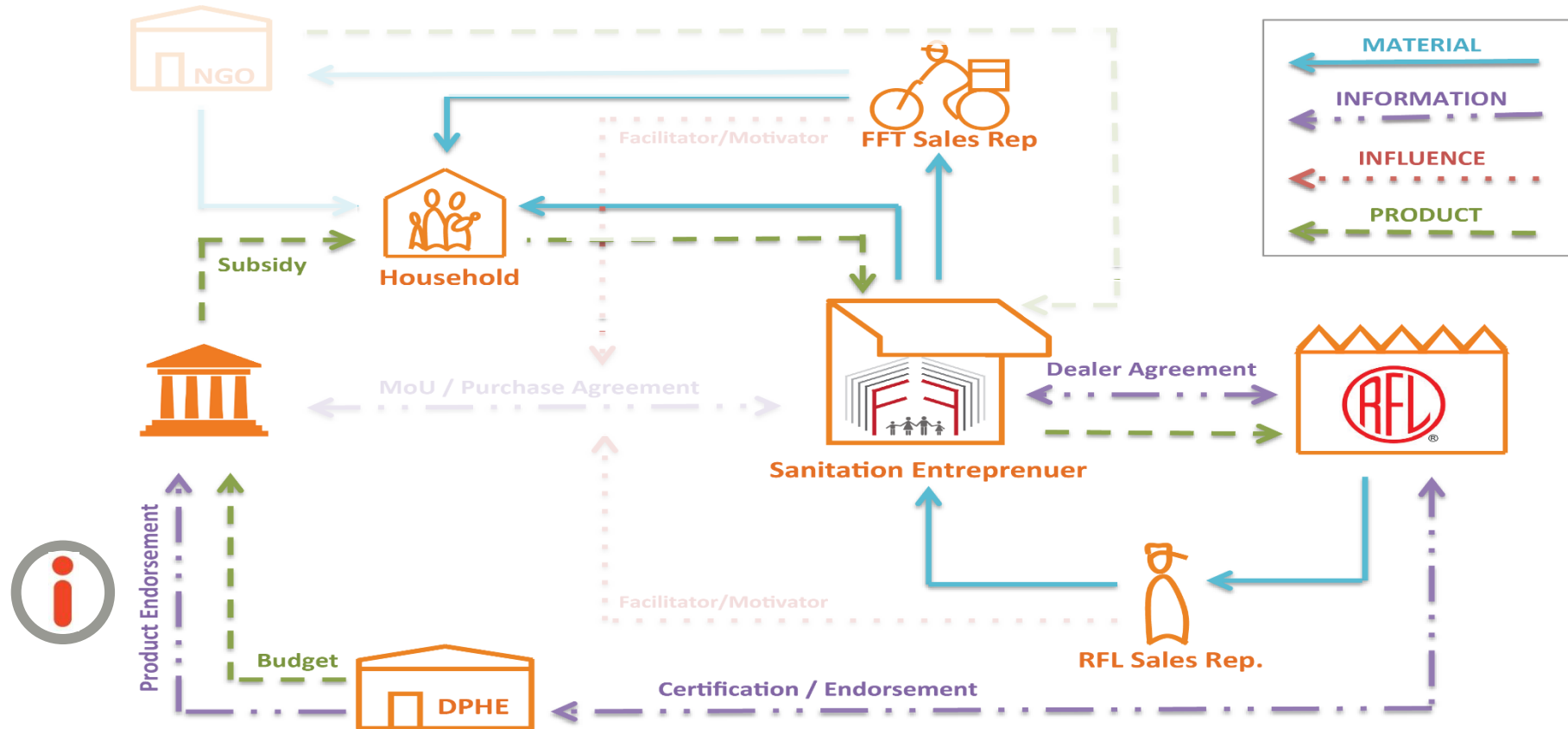
SanMark Utilizes the Market System to Address Weaknesses



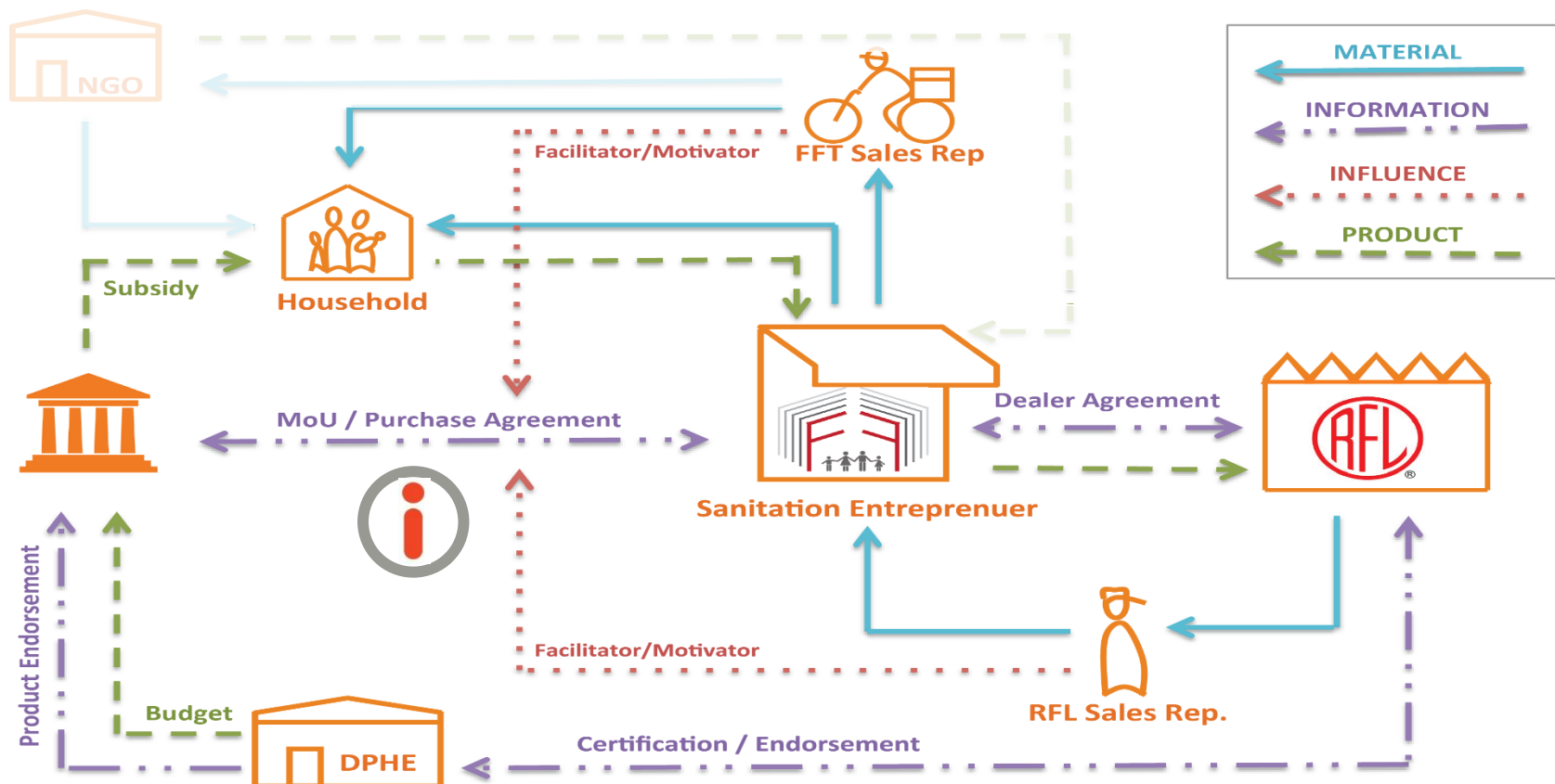
iDE links national government to suppliers with aim of securing endorsement and promotion



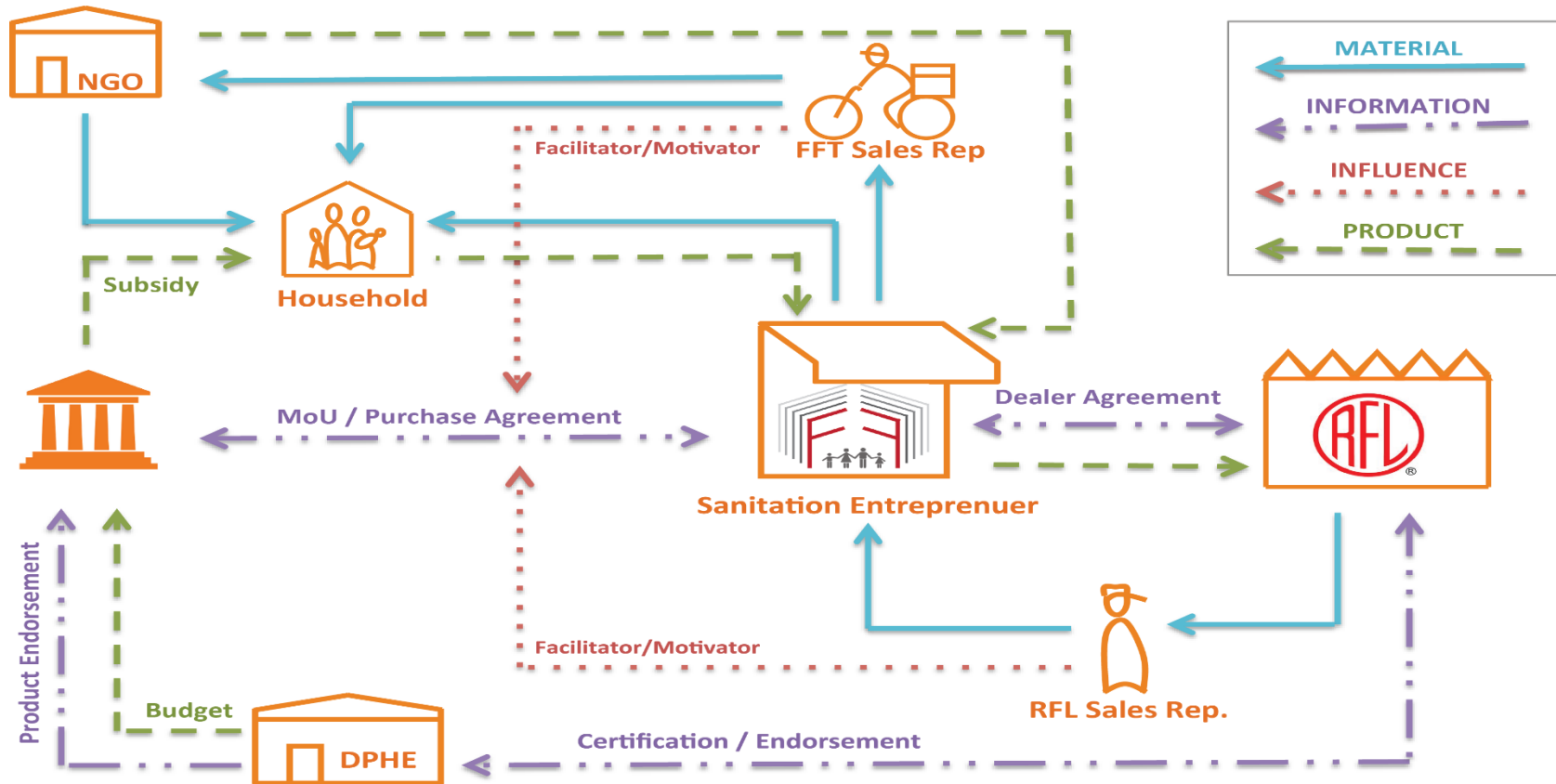
This endorsement creates an incentive for local government to allocate subsidies toward endorsed products and services



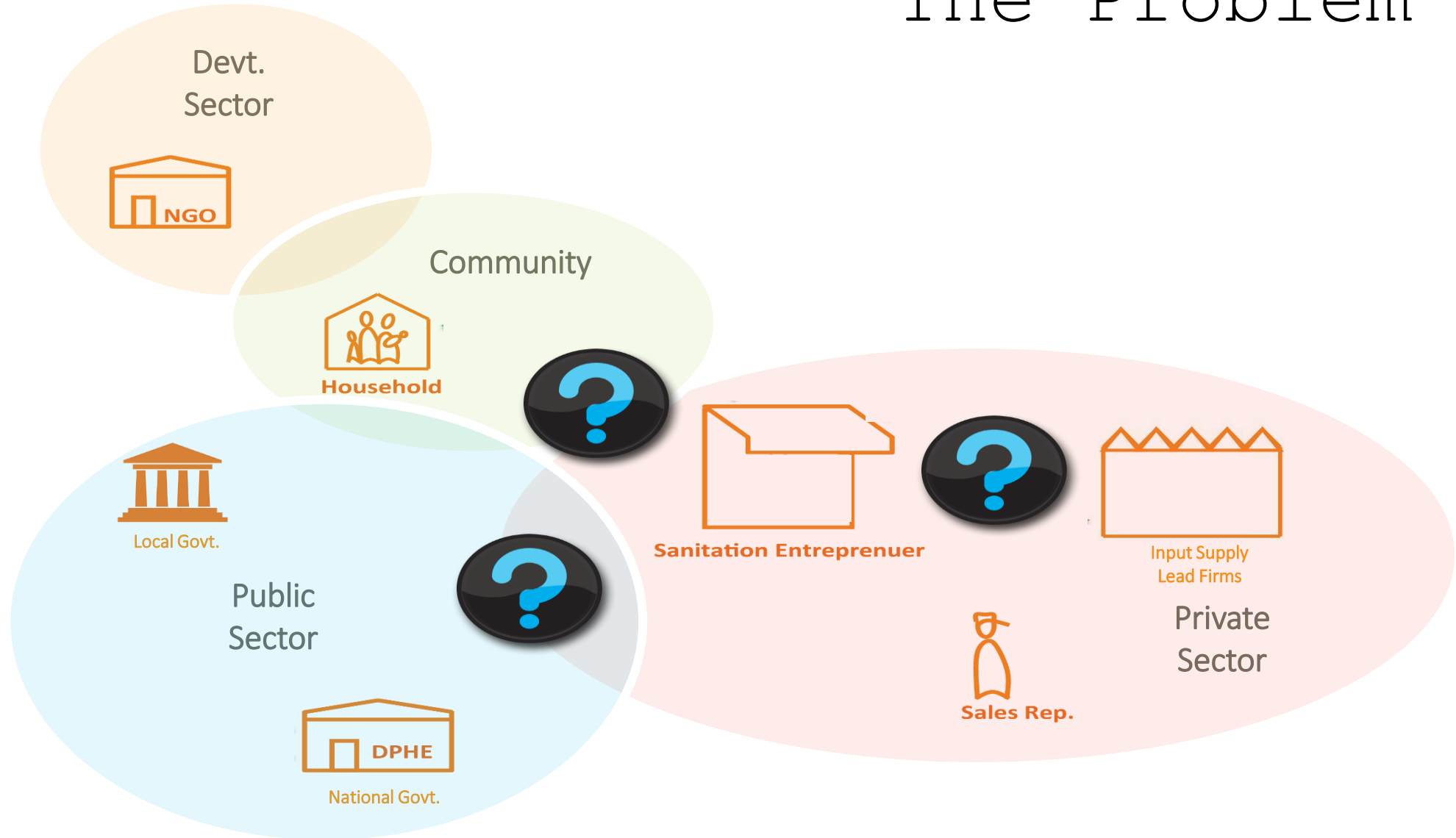
iDE then facilitates routines in which the private sector must "pitch" its solutions at the local level



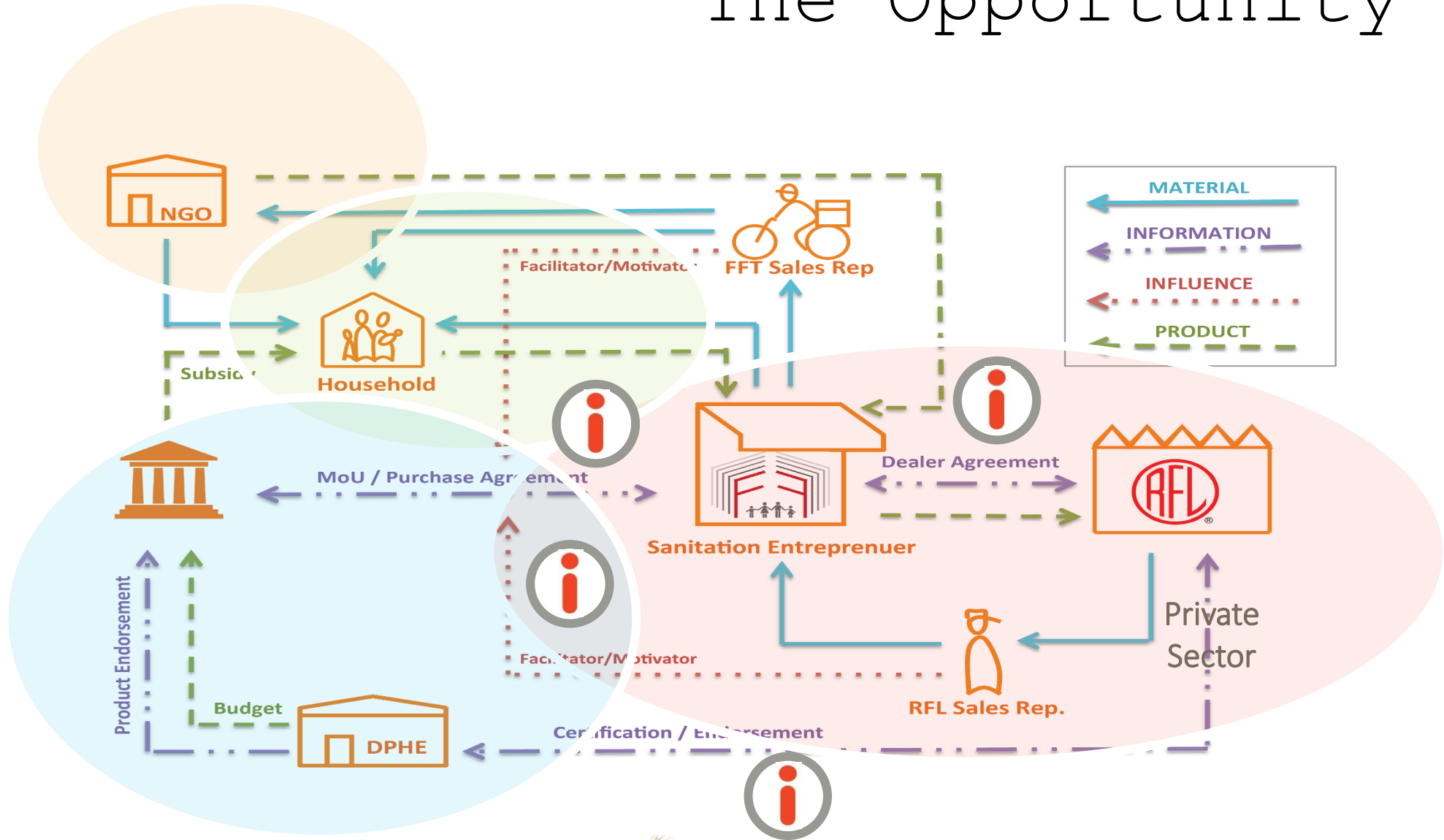
The Result: Models in which a combination of incentive-driven “push” and “pull” relationships drive diffusion of improved sanitation to low-income and marginalized HHs



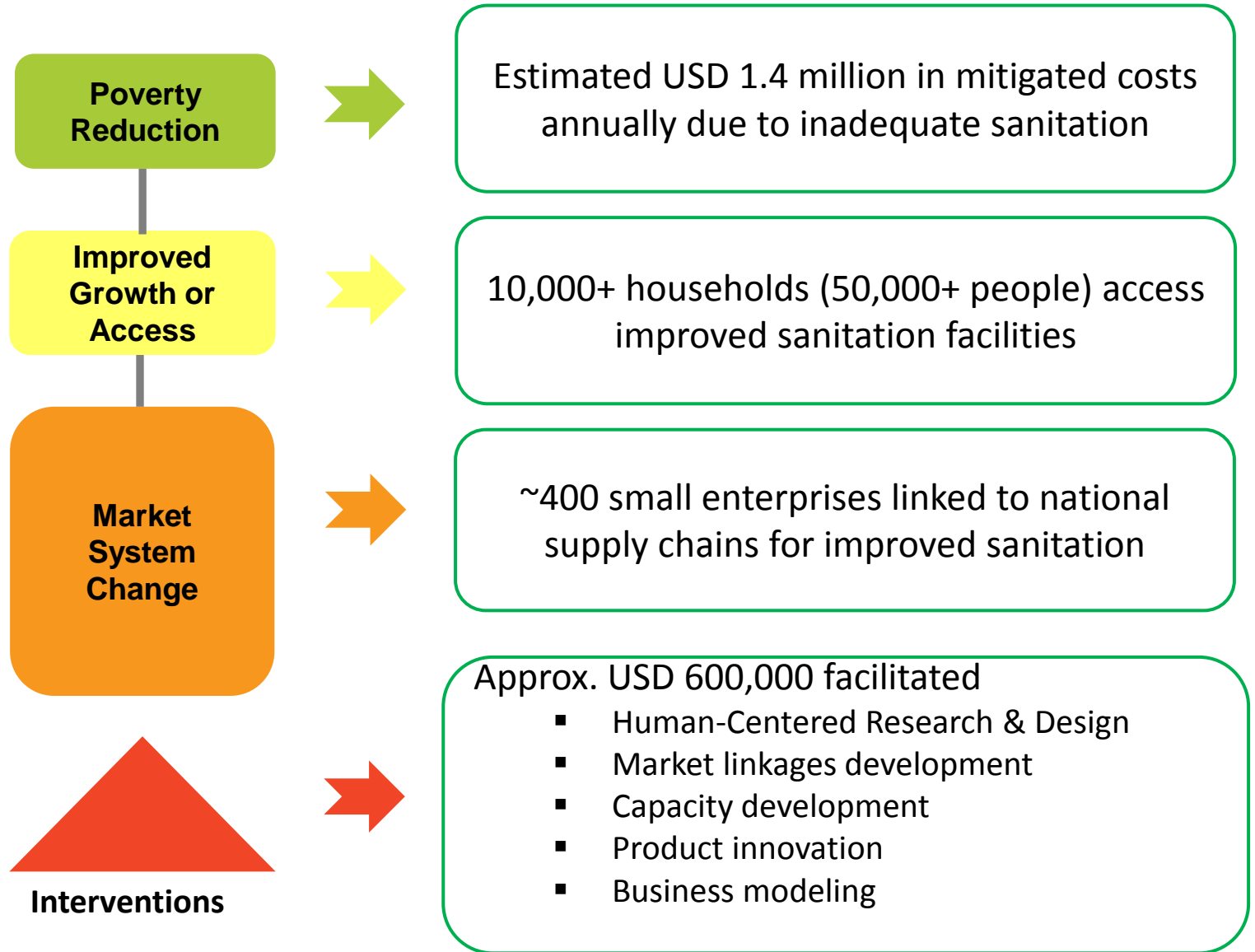
The Problem



The Opportunity



Impact: Early Days but Promising...





iD
E

IDA'S SANITATION MARKETING INITIATIVE IN

Bangladesh:

Reducing public health vulnerability through a
market-based approach



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Q&A SESSION ON PRESENTATIONS

Fouzia Nasreen and F. Conor Riggs



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GROUP TASK: Takeaways,
learning points and
applicability to your
work

Richard Rose, Fouzia Nasreen and F. Conor Riggs

IRS

iDE



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identify 3 key
learning points
applicability for
your work and
discuss with your
partner

2. IN GROUPS

Discuss and
discuss the top 5
learning points
and applications
and write them
down for the group

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KNOWLEDGE SHARING MEETING March 3 - 5, 2015
Dhaka, Bangladesh

LEARNING FROM THE PAST
SHAPING THE FUTURE

iDE


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THANK YOU!

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