



From BDS to Making  
Markets Work for the Poor

Introduction to the Seminar Reader



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# Focus of the Reader

Making Market Systems Work Better for the Poor

Value Chains

Business  
Service  
Markets

Service Markets  
for the Poor

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# Focus of the Reader

## Making Market Systems Work Better for the Poor

Globalization &  
Competitiveness

Market Assessment  
& Design

The Enabling  
Environment

Value  
Chains

Business  
Service  
Markets

Implementation

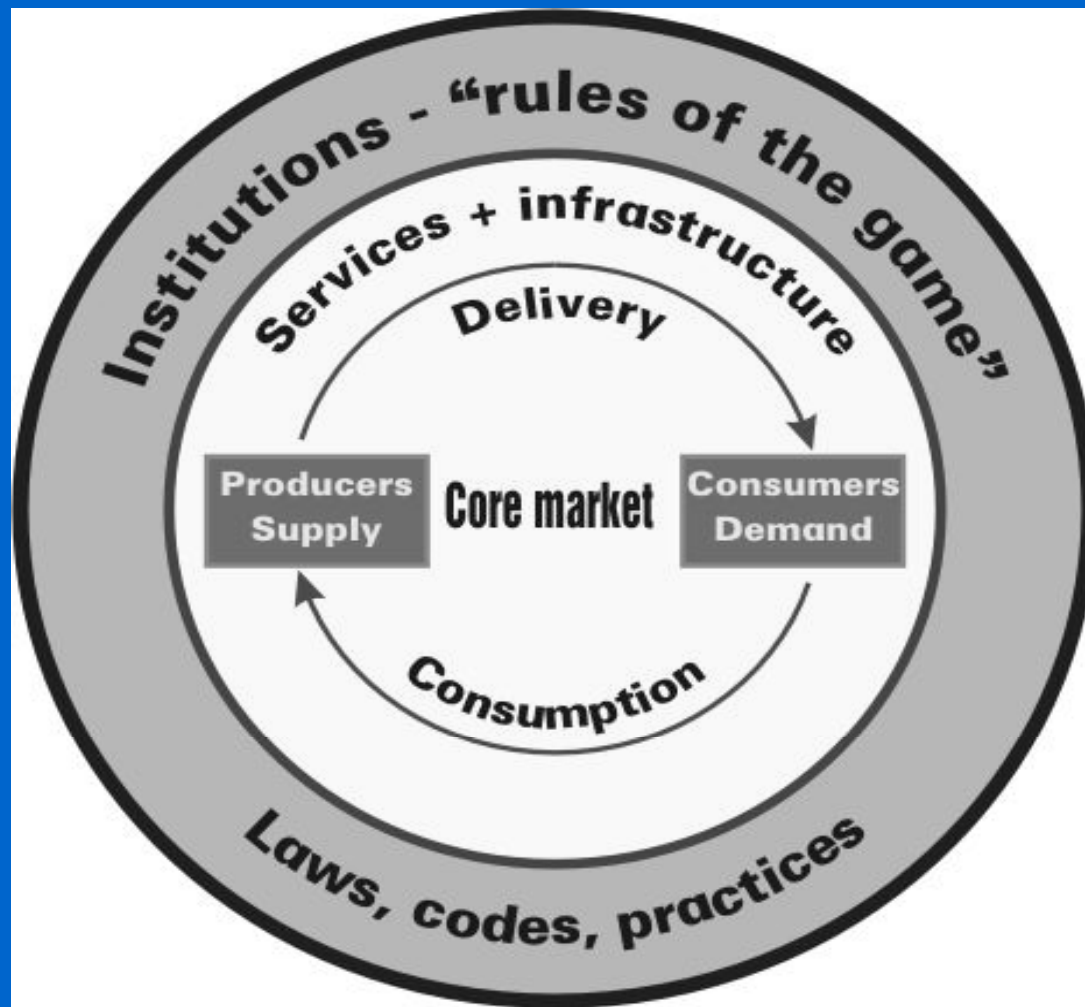
Market  
Governance

Service  
Markets for  
the Poor

Evaluation

Reaching Very Poor  
and Vulnerable

# A Recurring Finding...



A systemic approach leads to more long lasting impact.

Source: DFID, 2005

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# Developing Value Chains

- A focus on increasing competitiveness
- Greater attention to market influence
- More careful and creative choice of program partners
- Deliberate development of value chain relationships

If and when is a direct (subsidized) approach to developing value chains OK?

What are the best ways to address power imbalances in markets?

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# Addressing Competitiveness and Market Influence

## Kenya BDS in the Mango Subsector



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# Addressing Competitiveness and Market Influence

## Kenya BDS in the Mango Subsector

### Key strategies:

- form groups
- link with exporters
- promote win/win business relationships
- develop embedded business services



2,500 small mango growers have doubled their prices in 18 months

# Choosing Partners and Building Relationships

## World Education South Africa



## Choosing Partners and Building Relationships

### World Education South Africa

**Target:** Construction SEs  
owned by PDIs

**Strategy:** Increase viable  
subcontracting

**Activity:** Develop markets for  
support services that help  
SEs win subcontracts

**Services:** Information, skills  
in bid preparation, finance,  
technical and operational  
skills, links

**Partners:** NGOs and  
consultants, input supply  
brokers, large-scale input  
suppliers

**Results:** more than 30 support providers who serve 10,000  
firms (90% MEs, 32% women); contracts value \$6M +

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# Monitoring and Evaluation

- Cross-fertilization among fields
- Measuring many dimensions of poverty
- Monitoring core and support markets
- Connecting MA, design, implementation, monitoring and impact assessment

Can a program's impact  
on poverty be proven?

# Monitoring Core and Support Markets

## IDE in Nepal



## Monitoring Core and Support Markets

# IDE in Nepal

## Horticultural Value Chain Support Market Providers

Support Market Providers	Number of Providers	Average Annual Sales (\$)	Average Net Annual Income (\$)
Lead farmers	333	479	386
Agro-vets	91	10,653	1,024
Vegetable traders	163	8,592	918
Installers/masons	224	146	146
Manufacturers / Assemblers	2	23,275	4,057
Dealers	25	13,300	998
<b>Total / averages</b>	<b>839</b>	<b>3,510</b>	<b>522</b>

## Monitoring Core and Support Markets

# IDE in Nepal

## Smallholder Farmers Annual Sales and Income

	Baseline	2 Years Post Intervention	% Change
Farmers	72	72	0
Total sales quantity	58,389 kg	130,941 kg	+124
Total sales volume	\$8,782	\$24,289	+177
Total cost of materials	\$1,358	\$2,389	+75
Total cost of labor	\$1,933	\$3,074	+59
Total net income	\$5,492	\$18,833	+243
Average net income/farmer	\$76	\$262	+345

Results: 7,097 small farmers through 839 providers

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# Reaching the Poor + Vulnerable

- Greater attention to rural areas and agricultural markets
- Market reconstruction and development for poorer and more vulnerable populations
- More intensive programs which combine several fields
- Flexibility in applying market development principles
- Action research, trial and error

How far down can  
market development  
reach?

How can relief efforts  
avoid distorting  
emerging markets?

# Post Disaster: Replacing Assets & Restarting Enterprises

## Fintrac Honduras, ARC Thailand

### Phase 1:

- Immediate, multi-level and intensive assistance
- Replacing assets and restarting economic activities



### Phase 2:

- Rebuilding and reconnecting market infrastructure
- Developing support markets

# Reaching the Entrenched Poor: Remote Rural Markets

## Mercy Corps and PACT Mongolia



### 2000-2004 results:

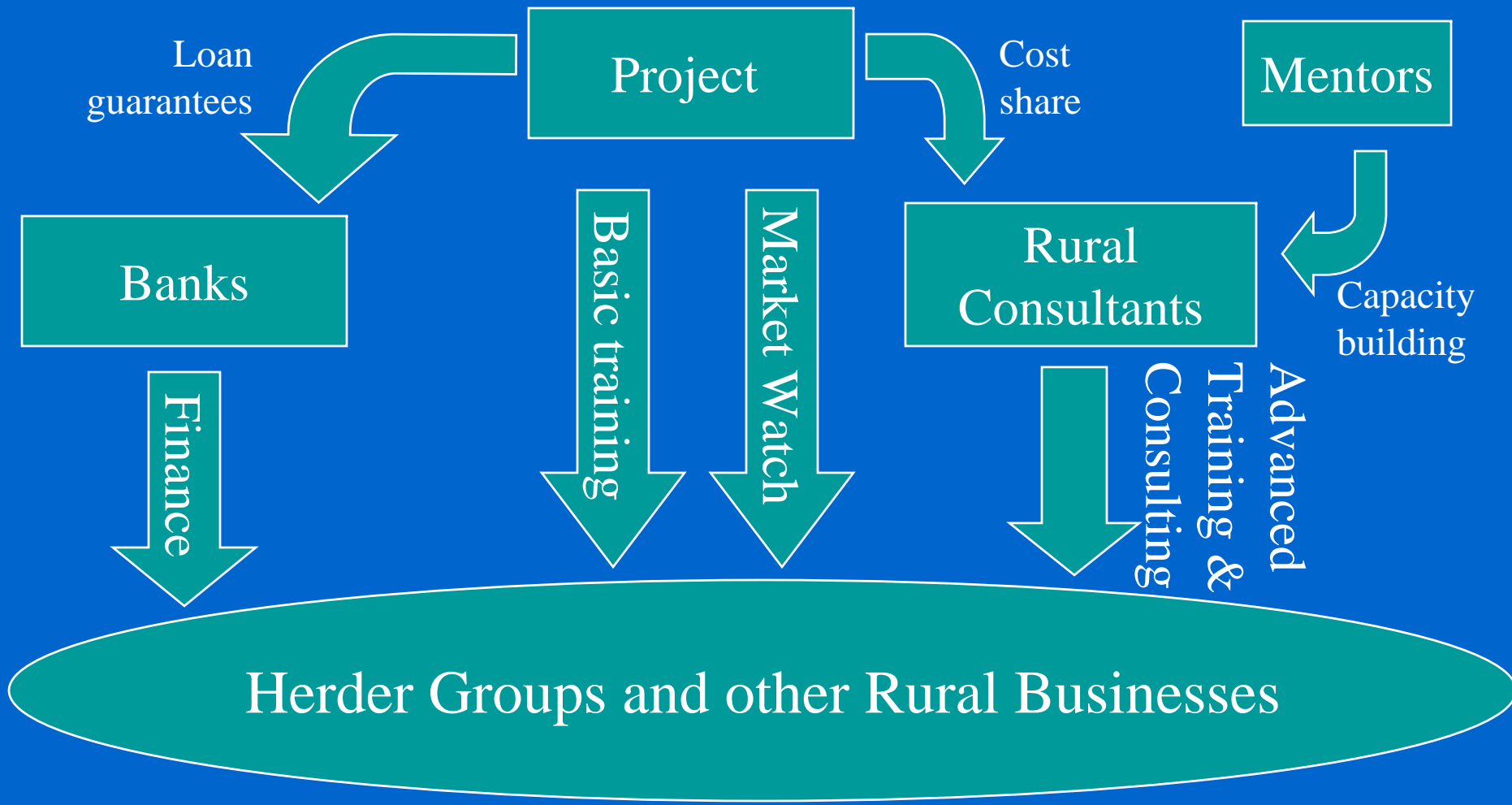
- 250 herder groups; 300 new businesses; 10,000 people
- market links, productivity and profitability increased

- Assists herder groups to commercialize and/or diversify
- Strengthens other rural businesses



# Reaching the Entrenched Poor: Remote Rural Markets

## Mercy Corps and PACT Mongolia



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# Service Markets for the Poor

Water

Waste  
Collection

Health Care

Sanitation

Education



Private Sector Market Development for the Poor

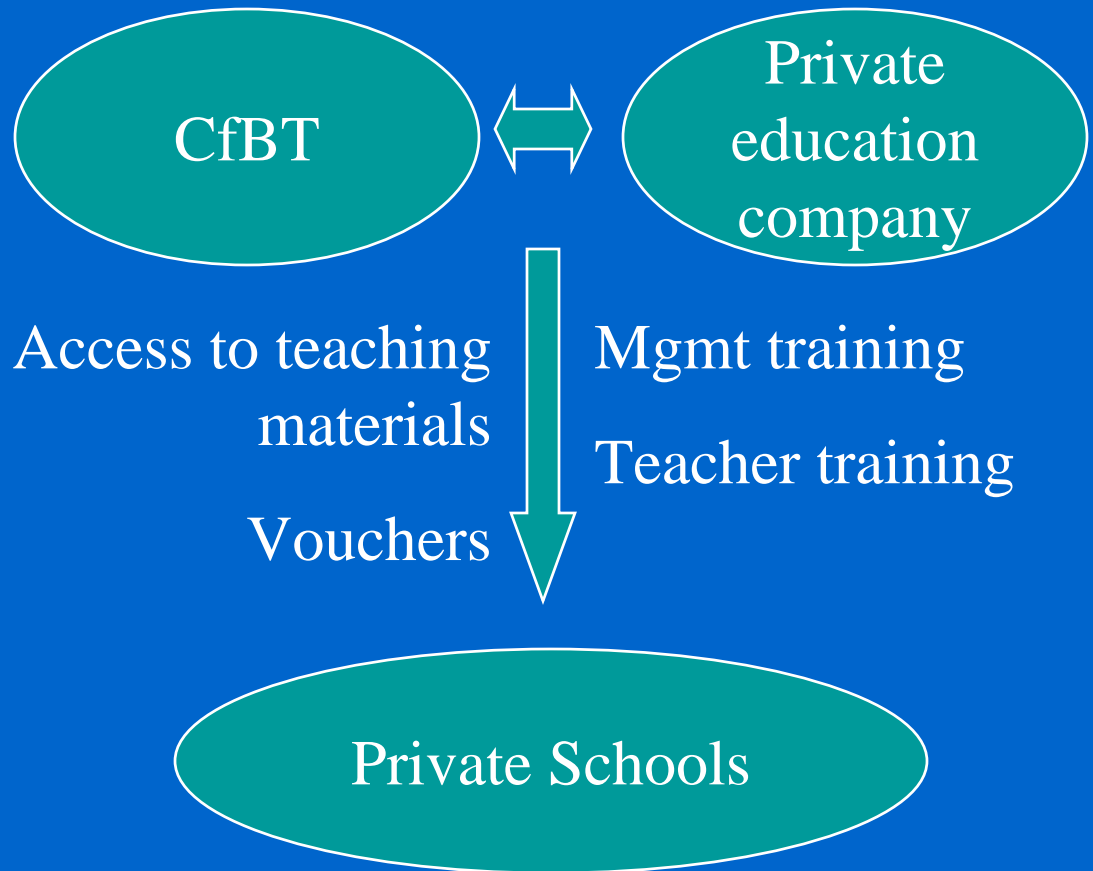
What should these  
markets be called?

How can we improve the  
enabling environment for  
private delivery?

# Helping Private Schools Better Serve the Poor

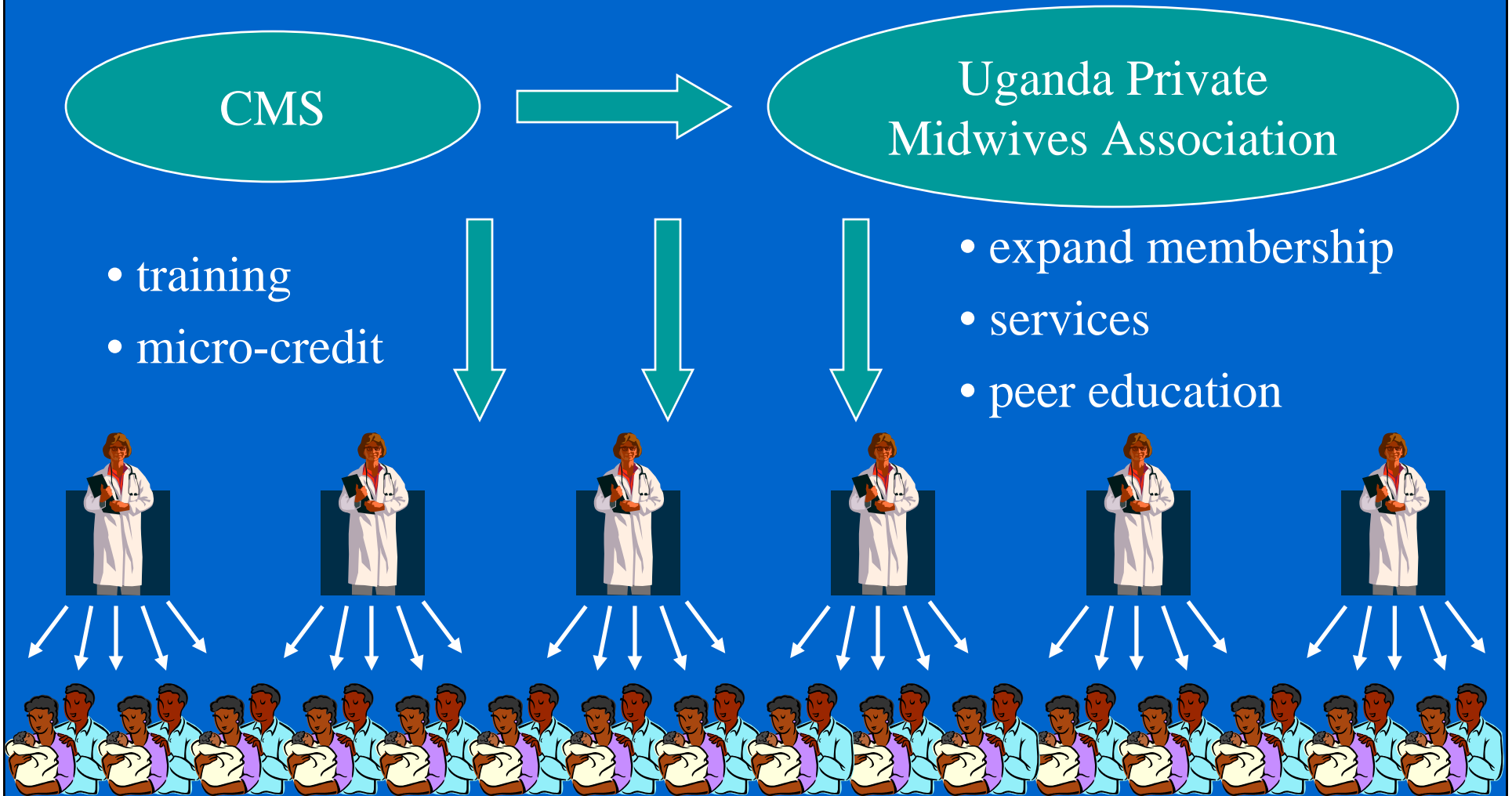
## CfBT in India

- 1,000 private schools in Hyderabad District (43%)
- 61% of students attend private schools
- schools for the poor cost about GBP2/month
- student/teacher ratio 29:1
- schools are profitable (25%)



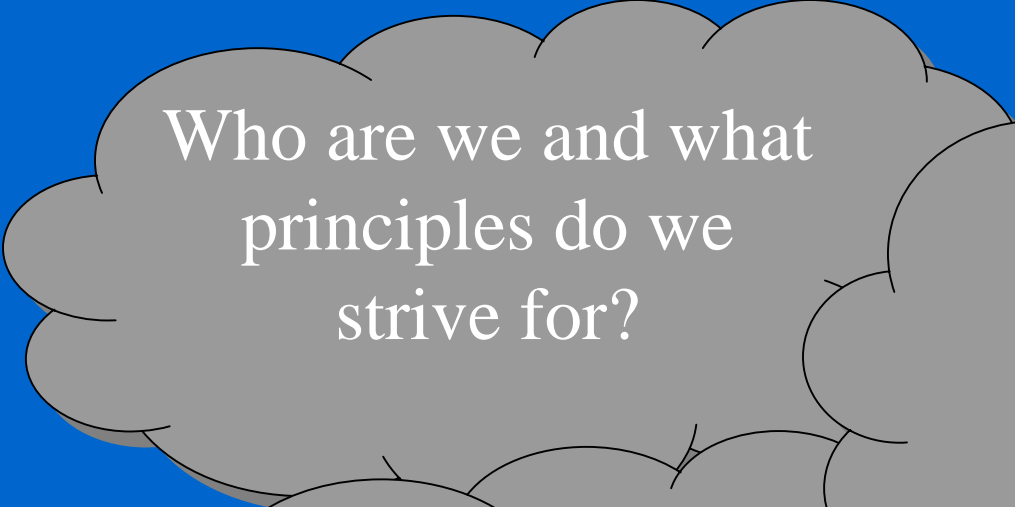
# Developing the Capacity of Private Health Care Providers

## CMS in Uganda

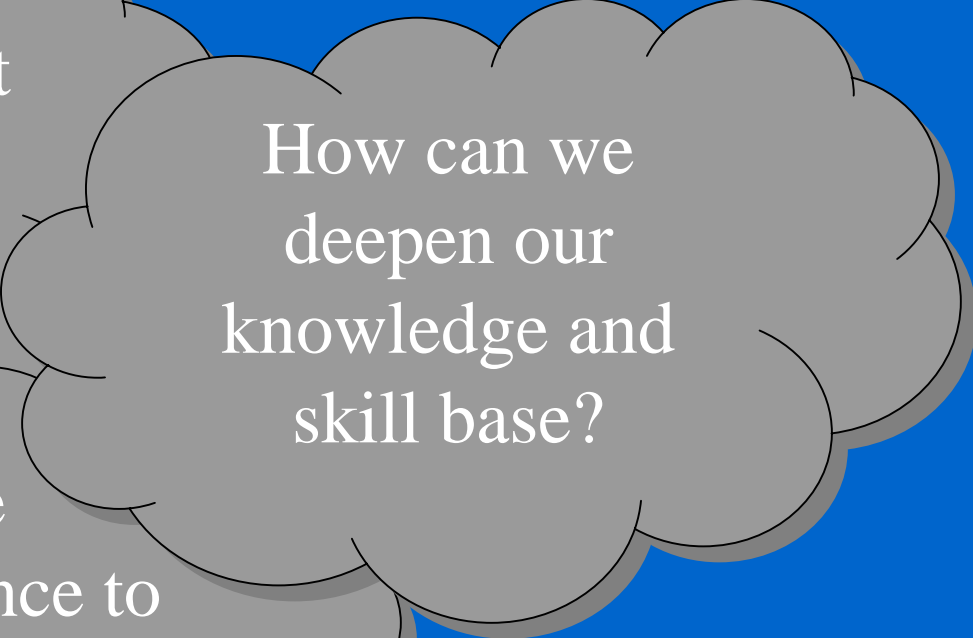





# Challenges to us all...



Who are we and what principles do we strive for?



How can we deepen our knowledge and skill base?



How can we overcome resistance to MMW4P?