



MPEP SEMINAR SERIES

Exploring Frontiers in Inclusive Market Development

OVERCOMING BARRIERS TO SCALE TO REACH THE POOR

WEBINAR CHAT TRANSCRIPT

JANUARY 23, 2014

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PRESENTERS

Kurt Dassel, Monitor Deloitte

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WEBINAR CHAT TRANSCRIPT

KDAD AV Tech: Good day everyone! The room is slowly filling up here in Washington DC. FYI, we may be running some audio tests and otherwise over the next 30 minutes or so...

KDAD AV Tech: As you come online kindly mention where you're from and any organization(s) you may be affiliated with

Mallory Flanders: Good morning! My name is Mallory and I am from Michigan State University, associated with the Global Center for Food Systems Innovation. I can hear you, thank you

Steev Lynn: audio is good

KDAD AV Tech: Thank you!

Muhammad Saddiq: I can hear you

Sabaatu Danladi: I can hear you

Mignon Manderson-Jones: Mignon Manderson-Jones: I can hear you

Hans Muzoora: Hans Muzoora from Uganda, independent agricultural and rural development consultant with Agridev Solutions based in Burlington, MA, USA.

Steev Lynn: I hope it's a little warmer in DC. It's -8°F here.

Mignon Manderson-Jones: Development Bank of Jamaica

Laura Cizmo: Laura Cizmo from USAID Bureau for Food Security, Office of Market and Partnerships Innovation

Kate Fedosova: Good morning, everyone! My name is Kate Fedosova. I am a graduate student at the Fletcher School in Boston.

Steev Lynn: Independent ag/biz consultant, Brattleboro, Vermont, USA

Kate Fedosova: We will be hosting a conference on scaling up on 2/14, so if you are in the Boston area then, please join us! <http://sites.tufts.edu/scalinginnovation>

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Muhammad Saddiq: Sheffield, UK

Francis Ohanyido: Francis Ohanyido, Senior Advisor USAID/TSHIP Nigeria

David Maxson: Howdy all, Sr. Investment Officer for Africa with Accion International out of Washington DC

Sakina Vanjova: Good Morning I am Sakina Vanjova Finance Officer Grants from Tajikistan

Aaron Littlefield: Good morning, my name is Aaron Littlefield. I'm a Food Security and Livelihoods Team intern at World Vision DC

Sabaatu Danladi: Policy and Research Specialist -Targetted States High Impact Project, Bauchi Nigeria.

Ruth Campbell: Hi, this is Ruth Campbell from ACDI/VOCA in DC

KDAD AV Tech: For those of you not actively listening ... there are some metro delays and so we may hold for a bit; FYI

Christian LOUPEDA: Christian LOUPEDA, Freedom from Hunger - Davis (California)

Anima Aggarwal: Geneva, Switzerland.

JAY CHANDRA: hi Jay from Accion in Accra

Kate Fedosova: Is there a hashtag for this event?

Steev Lynn: lost the audio stream

Kate Fehlenberg: Kate from MSI - heard via listserve. MSI as Scale-up Framework as well-- always learning what folks are doing-- very exciting!

Raquel Gomes: Raquel Gomes from USAID/MPEP

Kate Fehlenberg: let me try to find the email-- there is one for Family Planning and Repro Health for sure

Kate Fedosova: The event was forwarded by a colleague, but I like the idea of a scaling list serve!

Yi Wei: Yi Wei from iDE Global WASH

Grant Lowe: Grant Lowe -new entrant to sector (Toronto)

Deborah Foti: Hiinga, Africa Operations

Kate Fehlenberg: My email came from QED Group

Kate Fehlenberg: Funny - two Kate F's online

Kate Fedosova: :) yes, hi Kate!

Arsalan Ali Faheem: Arsalan from DAI Europe in London.

JD Bergeron: Good morning. This is JD Bergeron. I represent Truelift, a trust mark for social business to signify commitment to enduring change in the lives of people affected by poverty.

Darin Kingston: Darin Kingston, from d.light (solar energy solution provider)

Eric Carlberg: Eric from Mercy Corps with the TOPS program

Elon Gilbert: Jocko Valley Montana

Lisa Kuhn: Lisa Kuhn Fraioli, consultant

Cassia D Aquino: Hi, this is Cassia D'Aquino (Brazil) from Microfinance Opportunities

USAID Microlinks: Welcome Lisa and Cassia

Edward Talawa: Hi, this is Edward Talawa, from Accion based in Tanzania

Courtney James: Hi, this is Courtney James, with the YouthSave project at Save the Children

Quyen Nguyen: Hi, I'm Quyen from the IFC Sustainable Energy Finance Program

Grant Lowe: whats wrong with risk?

Kate Fehlenberg: risk could lose folks a lot of money - problem for investors

Grant Lowe: depends on risk tolerance of investor

Kate Fehlenberg: yup

Grant Lowe: new model - risk unknown

Kate Fehlenberg: but this gap is the Black Hole of scale-- everyone loves Pilots, and investors loved proven things already scaling, but this in between pahse - Adaptation, Testing, transfer from Originators to Adopters- - takes time and money and everyone sees it as someone else's job, or just hopes for "magic"

JD Bergeron: I hope we'll also look at factors that investors cause that are not helpful to scale and growth. I have seen few "impact" investors willing to get involved early enough to help ideas reach capacity.

Kate Fehlenberg: exactly

Kate Fehlenberg: same in non-profit world in terms of Donors (e.g. USAID and others) - love to fund Pilots but then leave off

Mallory Flanders: This figure is very useful.

Grant Lowe: I think it is all about support

Kate Fehlenberg: or want to scale the exact same pilot without allowing for testing and adjustment, so when same pilot has to change, see it as "failure"

USAID Microlinks: JD, do you have a question you'd like me to pose that might encourage them to address these factors?

Kate Fehlenberg: Any info on WHO is best suited or most willing to support this 'gap' would be GREAT

Kate Fehlenberg: if you could ask them that- thanks

Lisa Kuhn: how did we ever get onto the assumption that anti-poverty investments should be "safe" investments with quick returns? Is it because there is an assumption that there is a moral limit on upside, so we don't attract the early stage investors with higher risk tolerance?

JD Bergeron: I'd support Lisa's questions.

Grant Lowe: culture also plays a HUGE role

Kate Fehlenberg: Dont think so-- Gates Fndn good example-- big investment in high-risk poverty solution efforts - not looking for return--but they are exception i suppose

JD Bergeron: I think we may have the supply side and demand side reversed. The investors are not the demand; they are supply!

Kate Fehlenberg: most businesses-- like Pharma's (think HIV drugs) and others businesses exist on profit and poor folks dont have much money, so margin will be low. only way to make money is to have huge volume/ numbers

Grant Lowe: what about offering a open standard?

Kate Fehlenberg: good point JD

USAID Microlinks: Sure, Kate, I missed the part of the presentation that mentioned the "gap" you're referring to though, would you mind clarifying?

Kate Fehlenberg: whats an opening standard-? I'm a Health person not business person

Kate Fehlenberg: :-)

Grant Lowe: an open standard is toolkit for each company to develop mobile money

Kate Fehlenberg: Pioneer Gap

Kate Fehlenberg: Gap b/t pilot and full-scale

USAID Microlinks: thanks!

Kate Fehlenberg: ah

Kate Fehlenberg: In MSI's Health work we call the agencies who take on managing the scaling process (the "gap") 'Intermediaries' - but they are few and hard to find

Gail Motsi: Gail Motsi.CHF, from Tamale, Ghana - sorry to be late joining.

USAID Microlinks: Thanks for your question, Lisa. Would you mind restating where you're joining us from?

Kate Fehlenberg: Could we ask Presenters who their "Intermediaries" were?

Steev Lynn: Regarding govt enabling policies, most projects have a Component #4 for policy environment advocacy, but you're up against local vested interests & plain old inertia

Lisa Kuhn: I'm an independent consultant.

USAID Microlinks: Thanks for the clarification Kate!

Kate Fehlenberg: Indeed - Steev- we have a whole method for Policy Change Mgt and building 'enabling environment' - but it's a FT job and a process that needs funding. In our exp takes 6 months to several years

Kate Fehlenberg: Steev what's a Component #4-? What line of work are you in?

Steev Lynn: Ag & related processing/marketing business

Kate Fehlenberg: Private or "development"?

Steev Lynn: Donor-funded assistance to private sector development

Kate Fehlenberg: ok. are these Components part of standard funding package or...?

Steev Lynn: Projects usually have enterprise-focused technical components plus another one for enabling/policy environment

Kate Fehlenberg: Moderator-- who supported/ did/ paid for Policy research and work-? I dont know these acronyms - thanks

Steev Lynn: And by enterprise I'm including farms

Kate Fehlenberg: USAID Projects?

Steev Lynn: Among others

Kate Fehlenberg: ok thanks!

USAID Microlinks: Don't forget to keep submitting your questions, we should have ample time for Q&A at the end

Kate Fehlenberg: Q: How did they identify and enlist/ win over the org's that supported/ did the policy research?

Kate Fehlenberg: Q2: What would they have done in absence of the Gates Fndn?

David Maxson: Question: Did the study review the impact of 3rd party aggregators such as Selcom on the TZ market?

USAID Microlinks: Thanks for the Q David, would you mind restating your organization and where you're joining from?

David Maxson: Accion International, in DC

USAID Microlinks: thanks!

Kate Fehlenberg: Q: More details on Leaders, please-- mentioned only Gates, but again, they are rare/ one org-- where else can we look for Leaders to get thru Gap?

Kate Fehlenberg: which is kind of the same Q

Steev Lynn: Question: I'm curious about how Vodacom built up its rural rep network; it sounds like a huge job and investment.

Steev Lynn: How did tea growers end up with company ownership? Did they purchase shares?

Kate Fehlenberg: Me too Steev - when I lived in rural TZ 2005-06, there were few cell towers, and though phone credit scratch cards were avail, phones were relatively expensive-- maybe one phone per extended family

Steev Lynn: Clarification about Vodacom representative network: How did they train & equip local reps to handle cash transactions for users?

Arsalan Ali Faheem: Does anyone know if there will be a report with these case studies available?

Hans Muzoora: I think one barrier in implementing Contract farming has often come under criticism(especially from Government) saying that this model is limited to cash crops, does not take into account all farmers and could easily lead to food insecurity. It is further argued that contract farming is contradictory to farmer self-organization, which works against strengthening of farmers' position. It also inhibits the farmer in being able to add value to the raw commodity in the value chain. What is your take on that?

USAID Microlinks: Arsalan, yes they will be releasing the final report soon!

Arsalan Ali Faheem: Thanks!

USAID Microlinks: Thanks for your question Hans, would you mind restating your organization and where you're joining us from?

Grant Lowe: the tea farming example seems really rushed

Hans Muzoora: Agridev Solutions, Burlington, MA, USA

Lisa Kuhn: To Hans point, you can focus on the grower for cash crops that will be exported, but from a public policy/political perspective, it's hard to pay top dollar for staple and food crops that will be consumed at home. How would model be different if it were maize or another food crop?

Kate Fehlenberg: Scale-up Repro Health COP at community_scale-up@knowledge-gateway.org

Steev Lynn: Hans: A strong producer organization can be the contracting party on behalf of its members vis-a-vis the client

Kate Fehlenberg: HOW TO ID THESE "RIGHT" INTERMEDIARIES? not many see this as their job

Grant Lowe: sound is going

KDAD AV Tech: There will be some variations in sound as a handheld mic is passed around the room. Par for the course and please keep the feedback coming!

Hans Muzoora: Agree Steev.I think that should be the starting point.

Steev Lynn: Also, producing well-paid cash crops and purchasing food can be the most efficient use of farmer resources, depending on relative values of cash & food crops

Grant Lowe: nice audience contribution

Grant Lowe: bad sound

KDAD AV Tech: There will be some variations in sound as a handheld mic is passed around the room. Par for the course and please keep the feedback coming!

Mesfin Woldmariam: Hi there, is the seminar started?

Grant Lowe: foundations prob more likely to get involved in impact investing

USAID Microlinks: Hi Mesfin, the presentation component has ended, but we're still taking questions from the in-person and webinar audience

Kate Fehlenberg: yes but foundations relatively few

Mesfin Woldmariam: How can I get the presentation

Kate Fehlenberg: USAID invests in Impact Evals but not so much/ directly in Impact - still invest in "innovative pilots" and then 'hopes' will go to scale on own

Kate Fehlenberg: not just USAID-- DFID and others too

Raquel Gomes: sorry if I missed it, but in the tea case, what was KTDA able to do that the commercial establishment was not doing?

Kate Fehlenberg: was a large parastatal broker yes?

Hans Muzoora: In the KTDA case are farmers involved in price setting prior to planting/engaging in this. For farmers to be able to make informed decisions and commitments on which crops to grow, it is crucial to develop transparent pricing systems. A fair contract between farmers and agro processing firms, profitable for both sides, is the crucial factor, which decides whether contract farming can be regarded as a pro-poor smallholder farmer empowerment system.

Mesfin Woldmariam: QUESTIONS? 1. In most countries it is the mobile Network Operators in collaboration with Banks that deployed Mobile Money services. Will private non Mobile network operators be successful, if they are interested to deploy mobile money services?

Mesfin Woldmariam: I am a PhD Student at Addis Ababa University, Ethiopia

Steev Lynn: It's minus eight here

Elon Gilbert: What's the profile of the aggregators? Are they clonable?

USAID Microlinks: Hans and Kate - you two have had an interesting conversation on food security v. cash crops. Anything you'd like me to pose to the presenters?

USAID Microlinks: And Mesfin, the presentation slides are available in the file downloads box. We should have a full recording available on the Microlinks site within the next few days

Hans Muzoora: Could we have what impact indicators were used in the KTDA case for socila/economic impact??

Hans Muzoora: Social, economic and environmental impact-Sustainabiliy!!

Sabaatu Danladi: What are the challenges and constrains?

Hans Muzoora: Appreciate that honest answer!!

Muhammad Saddiq: Were there any Nigeria examples among the cases you looked at and at what level are the biggest problems (enterprise, vc, public good or government)?

USAID Microlinks: We are winding down here, we'll try to follow up with the presenters with any unanswered questions

Lisa Kuhn: Could a parastatal have done it with a food crop given pressures to keep foodprices low? Or does model only work for export cash crops?

Muhammad Saddiq: Okay

Hans Muzoora: Have enjoyed this webinar and look forward to participating in more.

Haitham El-noush: Appreciate being in the mailinglist to receive the rapport when it is distributed

KDAD AV Tech: Thanks for the feedback all! As we wrap up, please share your thoughts via our polls

Haitham El-noush: Great seminar, many thanks

USAID Microlinks: Thanks for joining us today, everyone! We will send an email out with all the resources soon

Quyem Nguyen: Thank you.

Edward Talawa: thanks

Lisa Kuhn: thanks

Dolin Pereira: Gracias

Olayinka David-Wesr: Thank you

Steev Lynn: I'm glad as a donor has diversified its focus from exclusivity on mirco-enterprises to include the larger ones that form part of the enabling environment for small ones. The whole-economy approach is more effective.

Cassia D Aquino: Great seminar! Thanks.

Cecelia Beirne: I would like to receive a copy of the report scheduled to be published in March. How can I request this?

Sabaatu Danladi: Highly Educative

USAID Microlinks: Hi Cecelia, the report will be available on Microlinks when it is done

USAID Microlinks: Thanks for joining us everyone, see you next time!