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# Making Markets Work for the Poor (M4P): *Experience, Results and Lessons from Katalyst*



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# Introduction to M4P

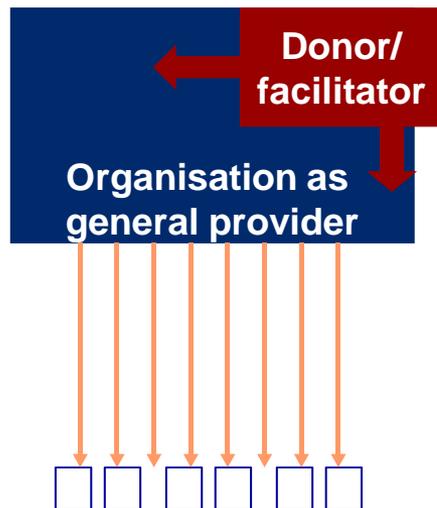


- **M4P**
  - Targets the poor as producers, workers and consumers
  - Has scale and sustainability at its core

# From Conventional SME Development to BDS

## Organisational focus

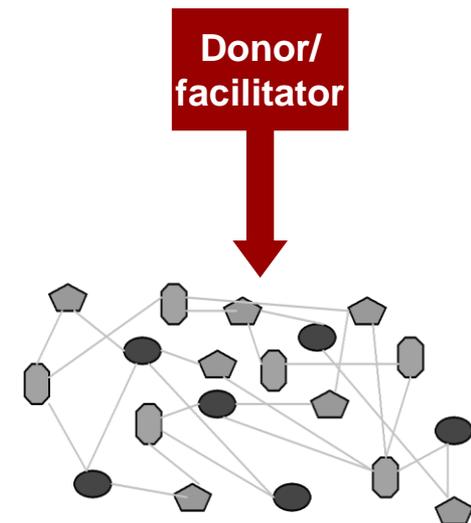
Building the capacity of organizations – partners of donor agencies – to deliver improved services



- Limited outreach-impact-sustainability-efficiency

## Market focus

Improving the functioning of BDS markets



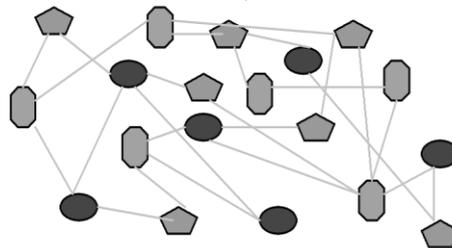
Functioning market of providers and SME consumers

# From BDS to M4P

## Market focus

Improving the  
functioning of BDS  
markets

Donor/  
facilitator

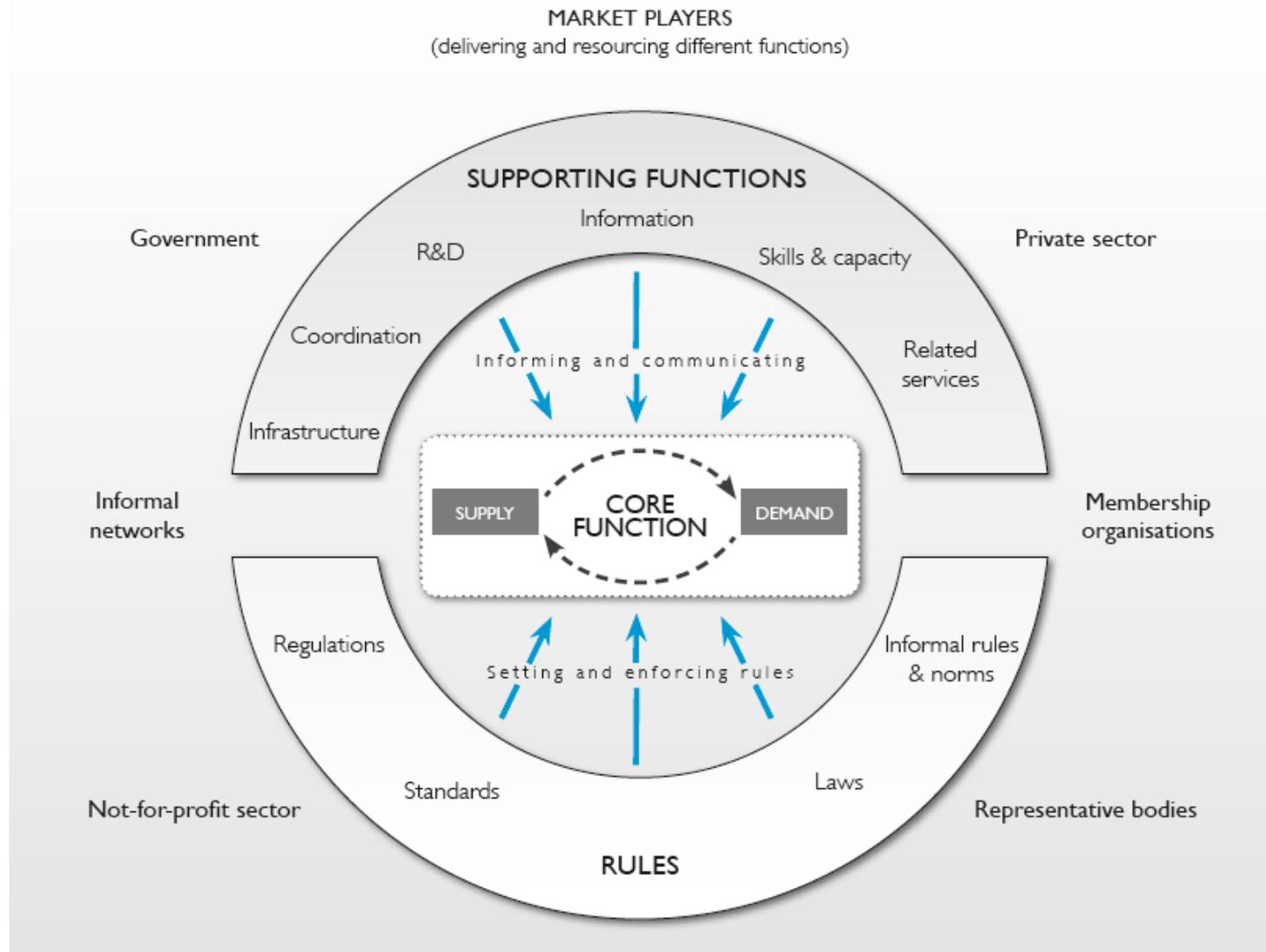


Functioning market of  
providers and SME  
consumers

- Insufficient recognition of the **importance of informal rules**

- Inadequate understanding of the **importance of supporting services**

# Stylized View of the Market System



# Developing a Vision for Sustainable Change

CURRENT SITUATION

Functions	Players	
	<i>Who does?</i>	<i>Who pays?</i>
CORE		
RULES		
SUPPORTING FUNCTIONS		

Facilitating intervention

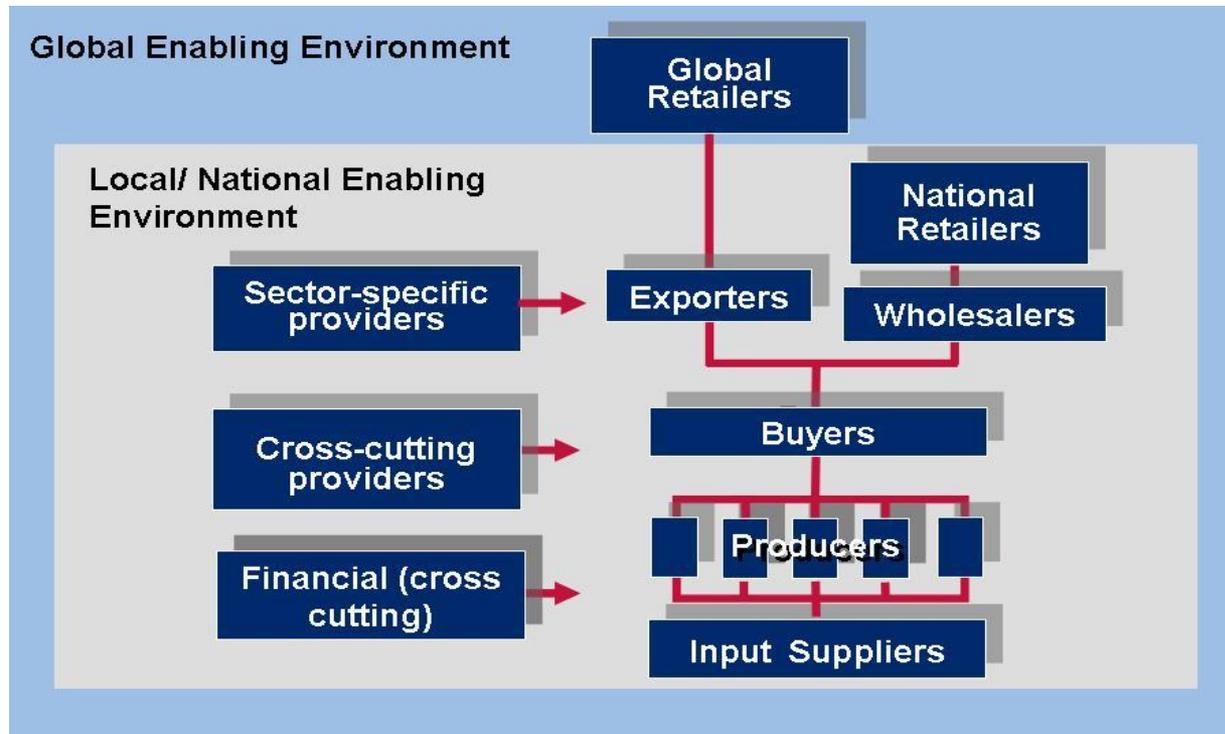


Determined by 5 factors:  
Nature of market system  
History  
Incentives  
Capacity  
Innovation landscape

FUTURE VISION

Functions	Players	
	<i>Who does?</i>	<i>Who pays?</i>
CORE		
RULES		
SUPPORTING FUNCTIONS		

# Similarities with USAID's VC Framework



## M4P

- More emphasis on rules and norms
- More flexibility in planning
- More diversified instruments and portfolio approach to sectors and interventions
- Application in non-sectors – healthcare, ICT, public services

# M4P Strategic Framework & Katalyst



## Katalyst – Bangladesh (2002-2013 – SDC, DFID, SIDA, CIDA, EKN - \$75m TA project)

Vegetables	Maize	Jute
Potato	Fish	Prawn
Tourism	Furniture	Media
ICT	Seeds	Fertilizer
Irrigation	ILGS	Packaging

✓ Reached around **35% or 800,000** of the 2.3 million enterprises targeted for phase II

✓ Target to **increase income by USD 280 million** for phase II

# Selected Results – Fish & Maize

Sector	Main Interventions	Some Results
Fish	<ul style="list-style-type: none"><li>•Working with chemical/feed companies to increase knowledge on production techniques through traders, nurseries and lead firms</li><li>•Linking hatcheries and experts in academia on varieties and cultivation techniques</li></ul>	<b>100,000 farmers</b> reached by the end of 2010. Additional income of <b>US\$10 million</b> in next 2 years. A further <b>100,000</b> will be reached by 2013.
Maize	<ul style="list-style-type: none"><li>•Linking private input companies with government extension service to promote maize-based cropping patterns</li><li>•Supporting seed companies to increase distribution network in remote areas</li><li>•Supporting banks to design and test credit lines for maize contract farming</li></ul>	<b>55,000 farmers</b> reached in 2 years in 4 districts. <b>Additional income of US\$3.5 million</b> . A further <b>150,000</b> farmers will be reached by 2013.

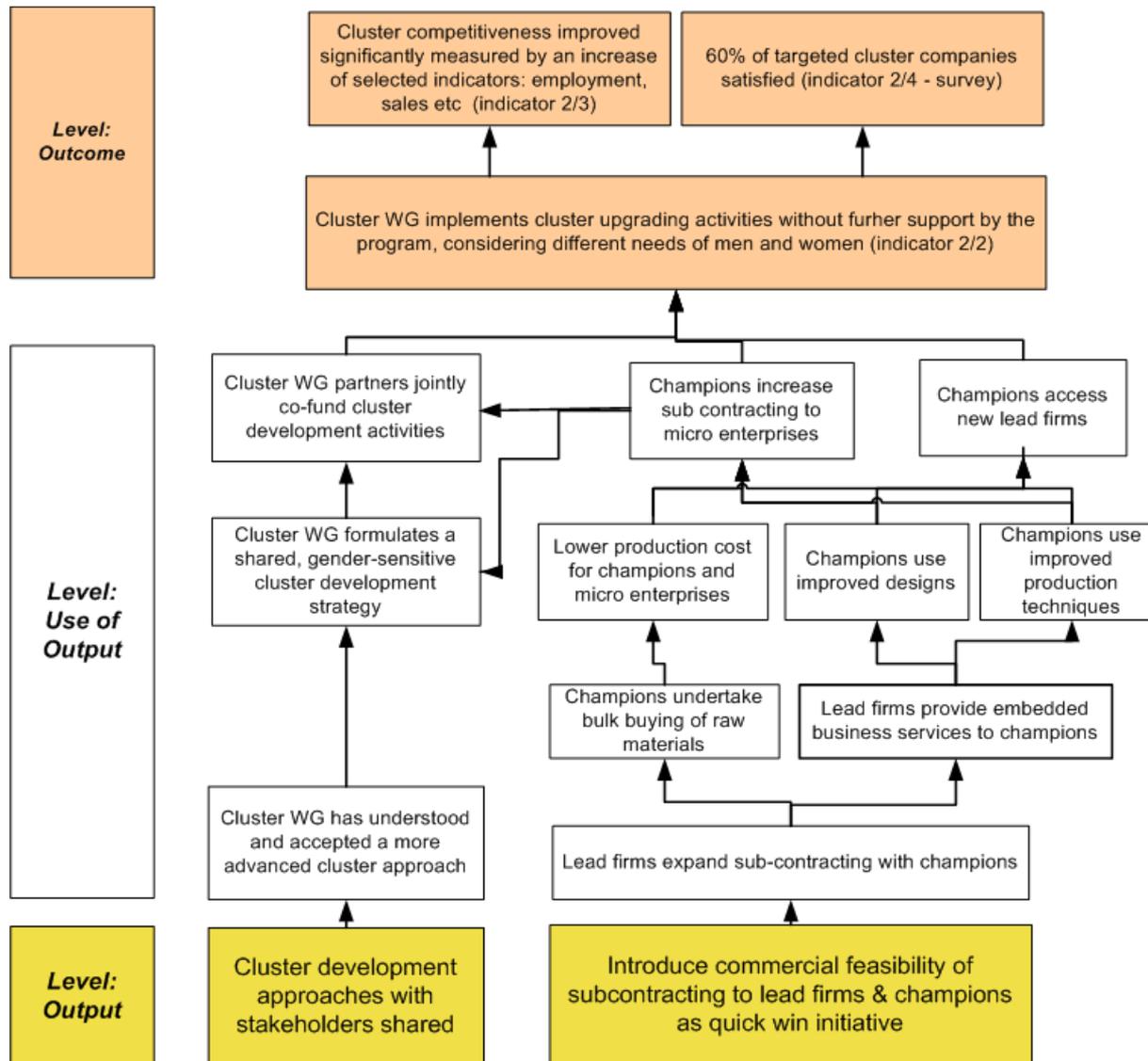
# Selected Results – ICT, Health & Local Government Services

Sector	Main Interventions	Some Results
ICT	<ul style="list-style-type: none"> <li>•Support Banglalink to set-up a mobile helpline service for farmers/small business</li> <li>•Support Grameenphone to establish 500 telecenters</li> </ul>	<p><b>630,000 farmers and enterprises</b> benefited as of March 2010. Additional <b>200,000</b> farmers to be reached by 2013. Total additional income by 2013: <b>US\$ 27 million.</b></p>
Private Health care	<ul style="list-style-type: none"> <li>•Develop health workforce training system through policy advocacy and capacity building</li> <li>•Create access to better healthcare facilities for rural and urban poor</li> </ul>	<p><b>31 public and 111 private</b> training institutes have enrolled more than <b>10,000</b> health workforce (nurses, medical assistants, health technologists, community HWF) as of September 2010.</p>
LG services	<ul style="list-style-type: none"> <li>• Develop facilitation and advocacy capacity of sub-district BMOs</li> <li>• Facilitate formation of Local level Public Private Initiatives (PPIs)</li> </ul>	<p>Over <b>73,000</b> farmers in 74 Upazilas have improved access to multiple services as of December 2010.</p>

# The Steps

- Market analysis – many tools -> “optimal ignorance”
- Focus on underlying causes and not symptoms
- Pilot activities for connecting with the private sector and verifying issues
- Formulation of ***results chains and indicators***
- Preparation of sector reports focusing on strategy and scale up process
- Developing a portfolio of sectors and interventions
- Conducting reality checks – portfolio reviews
- Real time ***monitoring***
- Sustainability, impact and outreach at the core

# Results Chain – Embroidery Cluster Indonesia



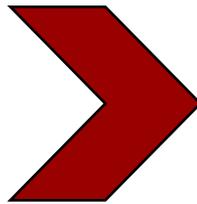
# Measuring Results or Impacts - Options

## Focus on outcomes:

- Randomized control trials large scale surveys
- Measuring difference of the difference

But:

- Difficulty of control groups in M4P
- Time lags and attribution issues from interventions to impacts



## Focus on process (DCED standards):

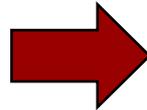
- Articulating results chains
- Defining indicators of change
- Measuring changes in indicators
- Estimating attributable changes
- Capturing wider changes in the system
- Tracking program costs
- Reporting results
- Managing the system

*Impact is likely but not certified*

# Lessons & Challenges

## *M4P Implementation*

- Portfolio approach
- Iterative design implement process



## *Flexible teams*

- Keeps staff motivated
- Keeps them objective
- Conducive to knowledge management
- Allows maximum capacity utilization



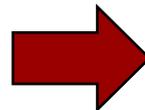
## *Strategic coherence*

- Strengthening a core team
- Common internal processes and systems
- Thematic discussions
- Internal training



## *Challenges*

- Unpredictability
- Trade –offs (growth vs. poverty targeting or outreach/impact)
- Constant change



# Recent Developments

- Donor innovations
  - Project design and budgeting (flexible, broad outlines)
  - Tendering and contracting (inception phase usually built in)
  - M&E (from numbers to processes, e.g. DCED Standard)
- The **key issue** concerns balancing implementer flexibility and accountability

# References

- Swisscontact and Katalyst
  - [www.swisscontact.org](http://www.swisscontact.org)
  - [www.katalyst.com.bd](http://www.katalyst.com.bd)
- The Donor Committee for Enterprise Development (DCED) [www.enterprise-development.org](http://www.enterprise-development.org)  
[www.mmw4p.org/dyn/bds/docs/detail/474/6](http://www.mmw4p.org/dyn/bds/docs/detail/474/6)
- M4P Key Documentation:
  - DFID/SDC publications(basis for the M4P charts in this presentation)
  - M4P Hub [www.m4phub.org](http://www.m4phub.org)
  - Market Oriented Agricultural Advisory Services (MOAAS) [www.neuchatelinitiative.net/english/index.htm](http://www.neuchatelinitiative.net/english/index.htm)



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