



# **Inclusive Value Chain Development: Reaching the Very Poor in the Philippine Mariculture Industry**

## **Q & A Transcript**

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### **Presenters**

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### **Sponsor**

United States Agency for International Development

*Female:* Thank you so much. We have right now 18 people joining us online, so I'll be taking questions from the room, as well as from the webinar, so please speak into the microphone when asking your questions, and also state your affiliation and your name. Any questions in the room? Thank you.

*Audience:* Good morning. I'm Chad Ford from Chemonics International. I'm curious, with this example, and if there's any other trends that you're seeing as far as an equation on cost benefit analysis or return on investment when you look at project resources dedicated to harder-to-reach. This one looked like a harder-to-reach community, so I would suspect there'd be much more on the investment side to reach the facilitative touching that you need to do to the value chain, and I'm curious if there's any analysis that's been done on this one in that regards, as well as some trends that you're seeing from other reaching-the-poor in the value chain facilitative approach.

*Female:* That's a good question. I'll let Marian answer from her perspective on the specific mariculture project. I think, in general, it's important to acknowledge that these types of activities can be more resource intensive and can cost more money, but not always, and I think Marian's case is actually a very good example of that. They worked very closely with the private sector who had an incentive to build the capacity. In order to comply with the good agriculture practices, they needed to improve the quality and the diversity and the number of jobs in this area, and so they actually had a very strong incentive to invest. I don't know if you caught that in her slide, but the private companies and the employers provided a lot of these things that we might traditionally consider asset transfers, some of these basic tools that people needed, and training that people needed in order to become more "viable" employees.

I think a lot of that was really informal employment, and to me, that's where the value chain approach really has a lot to bring to this world of working with the very poor and improving the cost-effectiveness of reaching these people, is in leveraging the power and the resources that the private sector can bring to this. But, obviously, you have to find opportunities where those incentives align. I don't know, Marian, if you had anything else that you wanted to add to that.

*Female:* I wanted to add something to that. I was in Ethiopia recently, where they were looking at interventions to reach the very poor, very similar to what Anna and Marian have been talking about, and they did a cost benefit analysis comparing that to the cost of humanitarian aid. So, if we see as part of our trajectory as reducing the cost of humanitarian aid, and increasing our investments in longer-term development for the very poor, then, I think, on a cost benefit basis, that it looks like a good investment. It's just another way of looking at it.

*Female:* There is a question from the webinar I would like to read. So, one question is here from \_\_\_\_\_ Mahari, and I will also read Marian's response, and if you have any extra comments. The question is, "Can you share your experience how the behavior change aspect of the project was implemented, and where in the value chain was it very difficult to modify behavior, and what method the project had used to cultivate program ownership?" and Marian's response here, that these were directed primary to the target groups, the behavior change, and also for the traders. I don't know if there's any additional comment that you might have to this.

*Female:* I know from Marian's case that they also found that there was behavior change, as she mentioned, behavior change activities, and they did a lot of relationship building, like community events where employers and employees kind of got together around community celebration events and just started to build better relationships, and created opportunities, small competitions around fingerling operators, or grow-out cage operators to build confidence amongst the very poor in being able to succeed in those jobs and succeed in their negotiations with employers, and form some of those commercial relationships with a greater degree of confidence. I know that in terms of behaviors that the confidence element was something that they found was a very big determinant in people's behavior, or was an important thing that they had to pay attention to.

*Female:* Thank you, and another question is from Ruth Campbell, USAID, and the question is, perhaps she missed it, but she was curious about the numbers, and she mentioned that Marian talked about frequent market surveys to ensure there was no market saturation, and Ruth stated how this is a common problem with programs targeting the poor. "How many poor were impacted by this multi-culture program?" Marian's response is that the total outreach was 2,500 households, with 10,000 individuals. Are there any more questions in the room?

*Audience:* Hi. My name is Jessica Majorca. I have no affiliation. My question was about the operators in terms of were there any sort of structures put into place so that long-term their interests would be represented to the people they're supplying to, say for example if there's market price fluctuation, you know, making sure that they understand what their product is worth?

*Female:* Transparency in market information and the flows of that. I will pass that to Marian.

*Female:* Marian is actually answering via the chat box online, and so –

*Female:* Okay.

*Female:* – she's answering that one and then we're gonna read it back out loud, so there might be a little bit of a pause while –

*Female:* Okay.

*Female:* – \_\_\_\_\_.

*Female:* Marian just stated that the groups were also recruited workers. I don't know if that answers this question. Maybe she is still responding.

*Female:* Any other questions?

*Audience:* Thanks. My name is Cathy Savino, and I'm with the Displaced Children and Orphans Fund. So, two things: I was really intrigued by your initial question about Feed the Future, that very large program and how the very poor this kind of program might fit in, and wondered if you could speak to that a little bit more, and secondly, three years to me is a really short time, and the trust and the ways that you work would seem to take more, but it looked like this was doable. So, I wondered if you could speak a bit to the timeframe.

*Female:* Sure. So, maybe while Marian is responding to that last question, I'll just mention, too, SDCAsia, while I think this program was a three-year project, they're based in the Philippines, so this is definitely part of a longer strategy and involvement in that area. Perhaps Jeanne is best placed to respond to the Feed the Future question.

*Female:* Well, I also wanted to respond to your other one. I actually was with Marian when we went to visit some of these groups some years ago, and I was very curious, because we went to see this group, obviously very poor, they had been given the cage and the fingerlings, and they had grown the fingerlings and then they all died because they didn't have a market. Then, we took a boat ten minutes down to where it was sort of a gulf area, and there's this guy who has a processing plant, and he's shipping containers to Davis, California, you know? So, I said, "Marian, why didn't you tell these people about this market?" and she said, "Well, you have to go very, very slowly."

All of Marian's projects have been very short, three-year projects, and I really think the sensitivity with which they bring to the way they work with people, and building people's confidence, and engaging in the local government, for example, who was giving the cages out, and being very sensitive to the social capital, and how to most sensitively build people's confidence, because I think she didn't feel that those people felt confident enough to deal with that guy who has a processing plant, who's shipping to California. I think the way that she levers the private sector, while at the same time being very sensitive to building the confidence of very poor people, I think it's a very powerful tool, and clearly something that she's done, not just this time, but multiple times in a short period of time.

In terms of Feed the Future, I think Feed the Future is focusing on the very poor. I mean they're focusing on, I think, the whole gamut. They're looking at growth. I just talked to them yesterday, and they were saying, "We're not just doing the very poor," so they are looking at the gamut. But poverty reduction is one of the top-level goals of the initiative, and nutrition is a high-level goal of the initiative, so addressing malnutrition, reducing dependence on humanitarian aid, these are front-and-center issues, and so, clearly, working with the very poor is going to be important, not exclusively, but it's going to be very important.

*Female:* I'm sorry. Marian was trying – she wants to respond, as well, but she didn't understand the entire question. Could you say it again briefly, your question?

*Audience:* Which one?

*Female:* The one you asked in the beginning, and you discussed –

*Audience:* \_\_\_\_\_ the three-year timeframe, is that the one?

*Female:* Mm-hmm, like just briefly, in one sentence, what were the main points of your question? Maybe she'll be able to also follow up on that.

*Audience:* I guess the question was was three years enough to accomplish the activities that –

*Female:* Okay, thank you. Any more questions in the room? There is a question here from Maria Locke, Raymond Foundation. "The collective groups that provide platforms to ensure quality services and performance management sound very interesting. Do you also use those groups to recruit the mariculture workers who participate in the program? If so, can you tell us a little more about those groups and how they function?" Marian didn't respond to this one yet, so hopefully – maybe you have \_\_\_\_\_?

*Female:* Yes, I would encourage all of you also to check out this case. It explores a lot of these themes very well.

*Female:* Thank you, and, also, Marian did respond that three years is not enough but it lays the foundation for the project, so that was her response to your question, as well. We don't have any more questions on the webinar, so we can take a few more here in the room, if you have any.

*Female:* \_\_\_\_\_ very sorry that the technology did not work out. Maybe what we can do is re-record Marian separately so that it will be clear, but anyway, thank you very much, everybody.

*Female:*

Yeah, thank you so much for coming. We have our next breakfast seminar on July 26. It will also be on the subject of value chain with Engineers Without Borders, so please join us for that, and if you have any particular questions that didn't get asked today and you would like me to send them on to the presenters, please also e-mail to me to let me know. I'll be happy to do that. Thank you.

*[End of Audio]*