

Developing Markets for BDS:  
Pioneering Systemic Approaches  
*BDS Update*

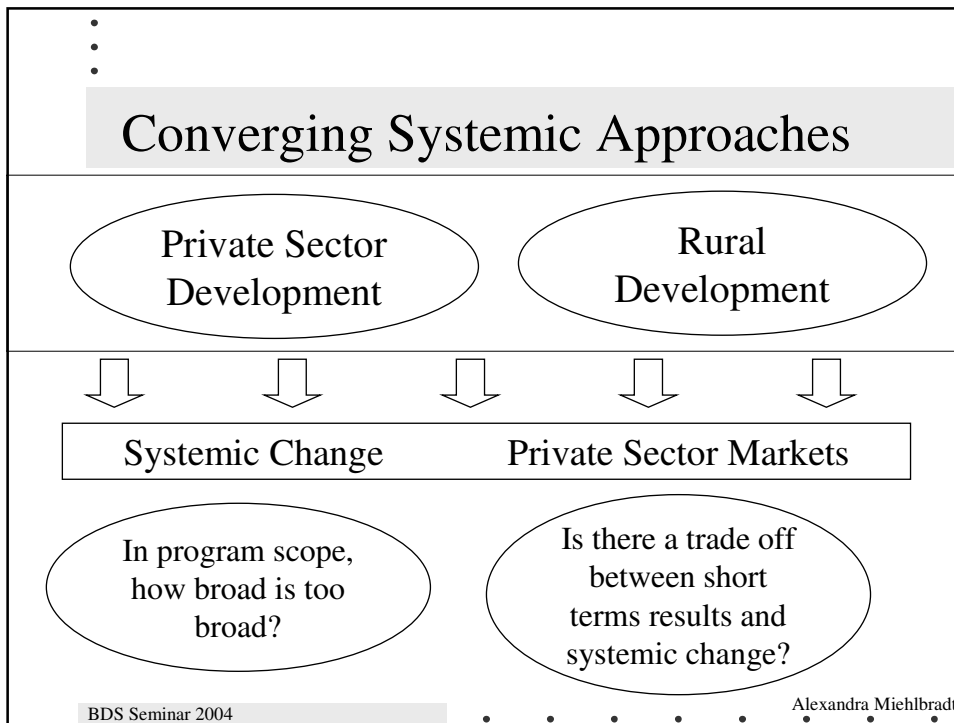
Introduction to the Seminar Reader



By Alexandra Miehlbradt  
and Mary McVay

Outline of the Reader

- Converging Systemic Approaches
- Reaching the Poor
  - Market Assessment and Program Design
- Business Services and Delivery Models
- Interventions and Program Management
- Performance Assessment
  - Developing the BDS Community of Practice







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## Achieving Short Term and Systemic Change

### SDCAsia in the Philippines

- focus on agribusiness
- targets microenterprises

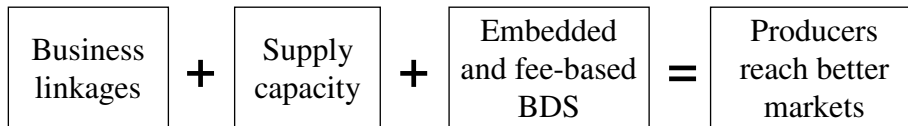





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Achieving Short Term and Systemic Change

## SDCAsia in the Philippines

### Value chain development



#### Short Term Results

- reaching 20 providers and 290 micros, 40% women
- rejection rates down from 40% to 10%
- 60% of SEs getting higher prices

#### Systemic Change

- compliance with GMP standards
- providers innovating new services and payment schemes
- replication to other crops
- market resilience

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Reaching the Poor

## TTO in South Africa

#### Target: Spaza shops

- Small retail stores in poor urban areas
- Sell bread, fruit, cigarettes, etc.
- Turnover
- 14,000 - US\$25 million



#### Program

- Strengthen links with business partners
- Facilitate embedded services
- Develop an association for advocacy and links

#### Services

Transportation, pest control, security, advice in stock management

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Reaching the Poor

## EDA in India

Aims to help microentrepreneurs in the leather subsector reach urban and export markets

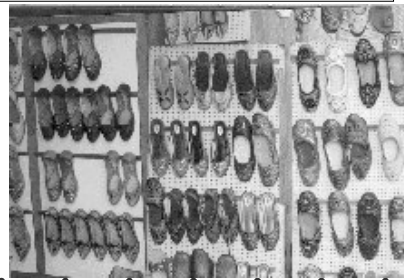
Services: market linkage and info, product designs, technical training

### Demand Interventions

- Limited initial service promotion to MEs
- Discuss services with exporters + wholesalers

### Supply Interventions

- Identify service providers
- Build capacity of and link providers
- Help providers market services



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## Business Services and Delivery Models

- The same sectors have similar issues in different countries
- More corporations are becoming service providers to SEs within supply chains
- Efforts to privatize traditionally state-provided services in many countries
- Associations, groups and clusters as BDS providers

Who looks out for the poor in interactions with corporations?

Can basic business skills be commercialized?

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New Services - ICTs

# ITC's E-Choupal in India

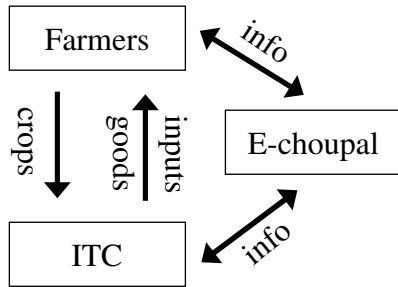
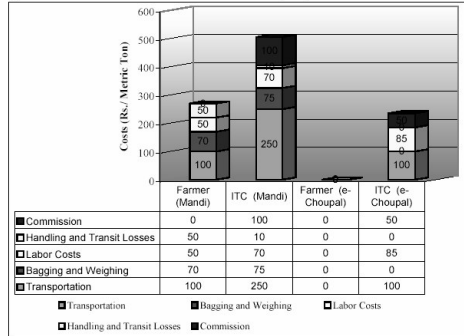


Figure 4. Transactions Costs Under the Mandi and E-Choupal Systems



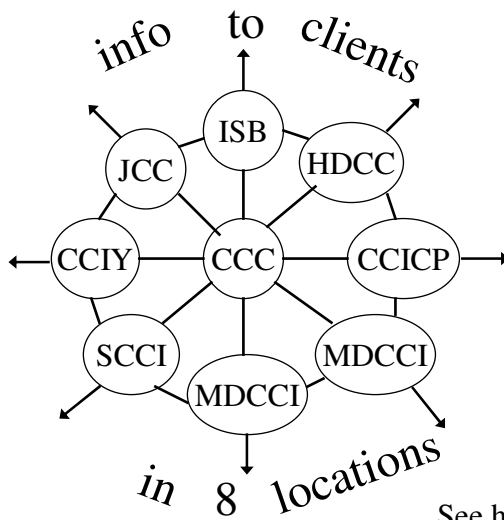
- 1 million farmers in 11,000 villages through 2,000 e-choupals
- higher prices (2.5% for soy) to farmers
- increased production and quality

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Associations as Service Providers

# GTZ in Sri Lanka



- 9 providers, mostly chambers of commerce
- Focus on 15 sectors
- In 2003: 78,689 transactions for business info
- 166% increase in transactions over 2000 baseline

See [http:// www.bip.lk](http://www.bip.lk)

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## Interventions

- More attention on stimulating demand for services
- Better strategies for attracting and selecting suppliers as partners
- Strengthening supplier capacity – different markets, different strategies

Which should come first – stimulating demand or building supplier capacity?

What type and how many providers should programs work with?

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## Interventions - Strengthening Secondary Service Markets

### GTZ in Central America

RED DE CAJAS DE HERRAMIENTAS

¿Eres Empresari@ o deseas serlo...?

Visita [www.infomipyme.com](http://www.infomipyme.com)

Red de Cajas de Herramientas de Gestión Empresarial para la Micro, Pequeña y Mediana Empresa (MPYME)

Y encontrarás GRATIS información que te ayudará a conducir tu negocio al éxito.

- Regional web-based info system
- Targets MSMEs and BDS providers and support organizations
- Delivers info, management tools and links

- Launched in Aug, 2002; now about 25,000 entries per month
- National partners manage content, sell advertising to sponsors and pay for technical assistance

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## Performance Assessment

- Using monitoring and PA information for decision making
- Defining the link between BDS MD and poverty alleviation
- The need for more rigorous project evaluations
- Establishing plausible attribution

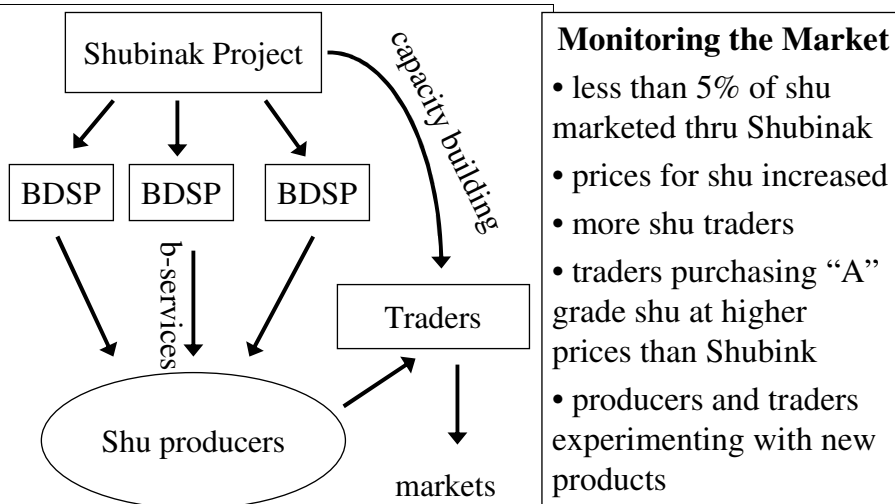
Should all programs measure impact on poverty?

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## Using monitoring information

### Aga Khan Foundation in Pakistan



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