

Where's the Market? How to Get and Use Information on 'Hidden' BDS Markets: The Azerbaijan Experience



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BDS Project Design Approach

Steps in project design

- Selection of Target Area
- Subsector Selection & Constraints Identification
- Selection of Business Services & BDS Market Assessment
- Interventions Identification & Selection
- Approach & Project Activities

Selection of Target Area

South part of Azerbaijan

- 68% of the population live below the national poverty line (WB)
- Area with economic potential
- Avoid conflict of interests with partner organizations
- Leveraging Opportunities
- Match to the USAID country strategy



Subsector Selection & Constraints Identification

Selection criterion

- Growth potential
- Participation of micro entrepreneurs
- Women participation
- Potential for new ventures & employment generation
- Match Gov't & Donor support initiatives

Tools

- State statistics
- Key informants meetings
- FGD with sector players

Subsector Selection & Constraints Identification

Animal husbandry & Poultry Subsectors

- 10,000 out of 40,000 small farmers engaged in activities for commercial purposes
- 45% of 10,000 are women primarily in poultry business
- Trends for the market growth
- Policy support: tax abolishment & increase of custom duties



Subsector Selection & Constraints Identification

Constraints Identified

- Access to higher value markets due to quality rejection



- Poor breeding & feeding practices
- Animal death & disease
- Lack of affordable credits
- Lack of information on product demand & sales prices

Selection of Business Services & BDS Market Assessment

Service Identification

Impact	Constraint addressed	Expected Change in Profit	Services
Change in behavior regarding knowledge of illness, symptoms, and treatment Increased productivity	Animal Death Low breeding rates and poor feeding practices	7-9% large animals, 20% poultry 2-3%	Veterinarian service; preventive info Production Technology Advice
Higher sales price	Low sales price due to rejection at Animal Disease Control	45% large animals, 20% poultry	Vet service and Production Technology Advice

Selection of Business Services & BDS Market Assessment

Assessment objectives

- To identify usage & potential demand for 12 BDS in particular the vet & production technology advice services
- To identify the market constraints for the business services



Tools

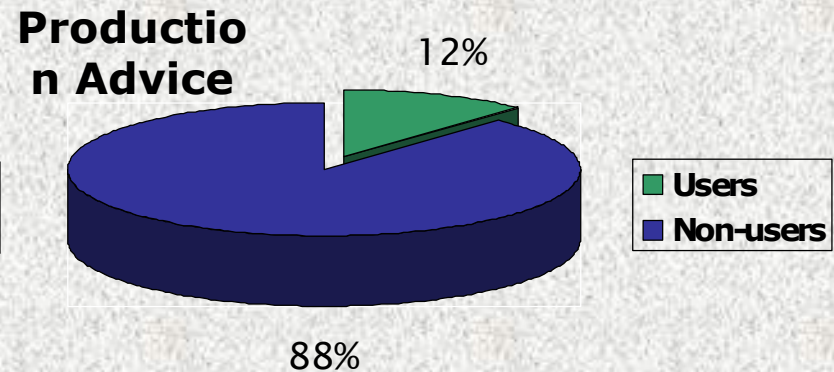
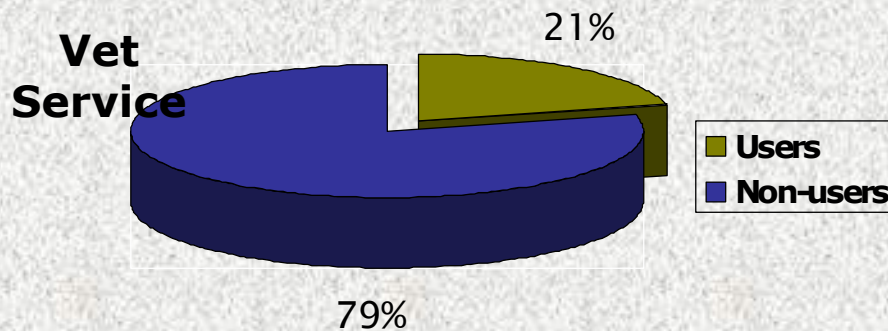
- Interviews with 120 farmers
- Post-assessment FGD with 37 vet service providers, service users & non-users

Selection of Business Services & BDS Market Assessment

Current Usage

<u>Service</u>	<u>Awareness</u>	<u>Reach</u>	<u>Retention</u>
Vet Service	68.5%	32.5%	93.6%
Production Advice	44.1%	27.5%	95.5%

Potential Demand



Selection of Business Services & BDS Market Assessment

Demand-Side Market Constraints

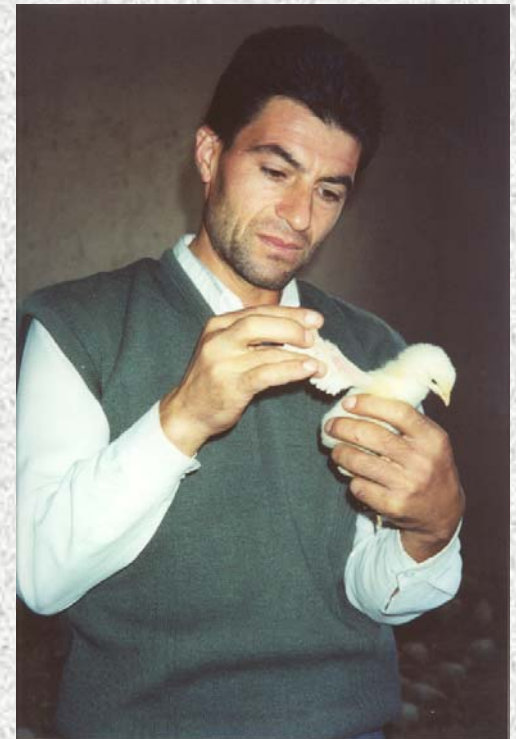
- Lack of full understanding on the potential benefits of the services & risk-averseness to try them
- Unawareness of payment options offered by service providers
- Remote areas unattractive for service providers
- Culture limitation for women to directly access the business services



Selection of Business Services & BDS Market Assessment

Supply-Side Market Constraints

- Service providers have poor promotion and marketing strategies
- Service products lack the features that consumers want: service package & consistency
- Service providers lack business skills to develop and market new service products



Interventions Identification & Selection

Demand-Side Interventions

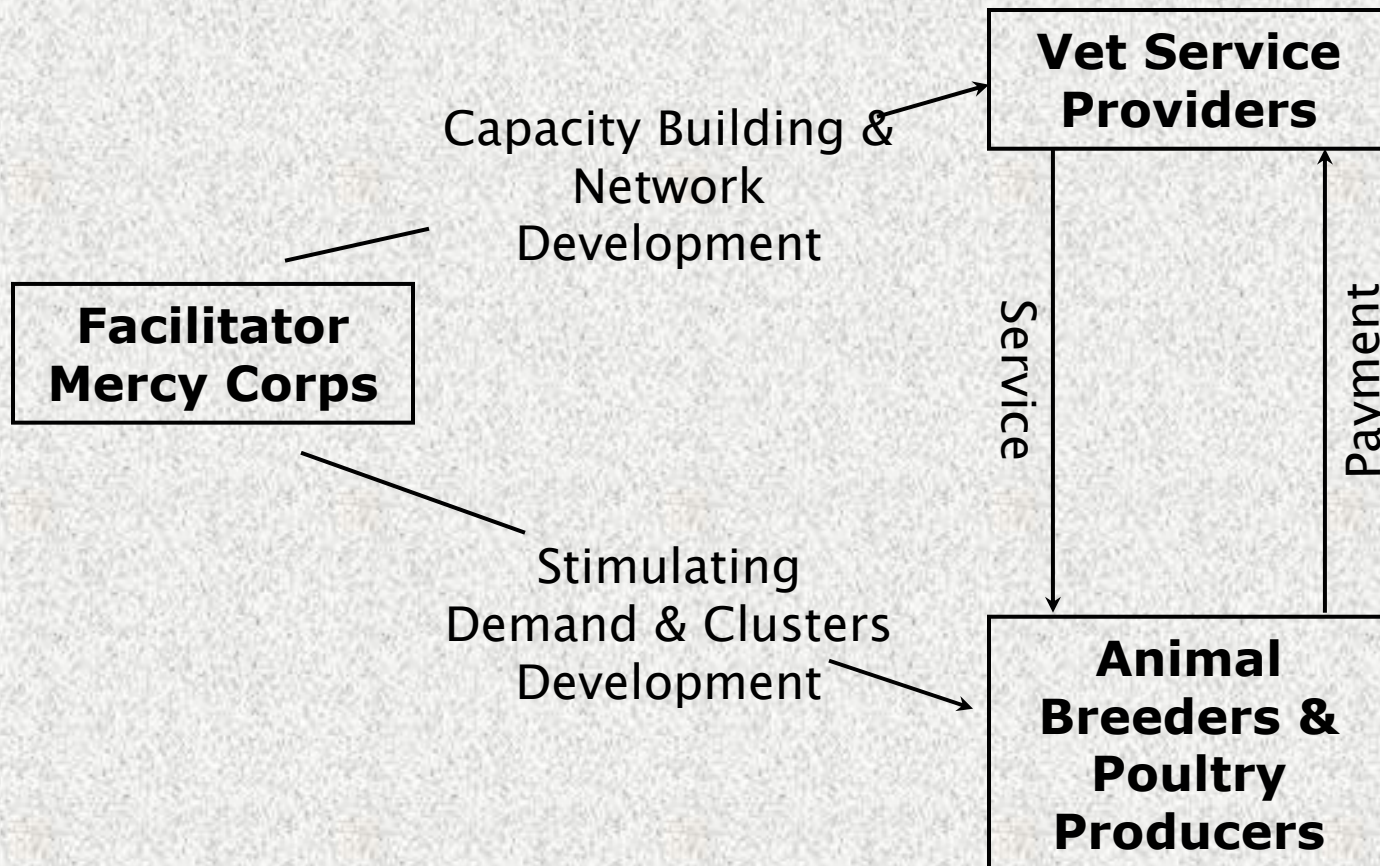
- Awareness raising on the services' benefits through demonstrations, testimonials, information newsletters
- Cluster development via strengthening existing groups & facilitating formation of new clusters

Supply-Side Interventions

- Capacity building of service providers through training on business management & marketing, product development
- Network Development by strengthening information exchange, referral systems & links with other stakeholders to sustain activities

Approach & Project Activities

Implementation Approach



Approach & Project Activities

Project Activities

Demand-Side activities

- Promoting service benefits and payment options
- Disseminate information on the services providers
- Encouraging clients to spread a word about services
- Access women by visiting points that are frequented by women
- Facilitate formation of 67 clusters of remote and women farmers
- Organize cluster cross visits to capitalize on successes

Supply-Side activities

- Train 54 service providers in business management & planning
- Facilitate development of outreach strategy for the service providers
- Facilitate development of service products to meet clients requirements
- Facilitate creation of the service providers local network

Lessons Learned & Challenges

- x Pre & Post assessment FGD are critical for understanding market constraints**
- x Ensure enumerators are properly oriented and understand the topic of assessment**
- x Focused single service assessments could be more effective**
- x FGD & Key Informants data requires a lot of filtering out**
- x “Incremental” Approach is vital to understand & respond to sector dynamics**



Thank you!