

Market Transformation:

Exploring Pathways for More Inclusive Growth

**Insights and Learning from the
2017 Market Transformation Workshop**

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About the Market Transformation Workshop

What is the Market Transformation Workshop?

The Market Transformation Workshop (#MTW2017) is a peer-to-peer learning event organized to bring together practitioners, policy makers and other development partners in Bangladesh, and create a platform for sharing ideas and experiences around the application of market development approaches in the region.

Where and when did it take place?

Organized in Bangladesh, the event included a field-based experiential learning initiative from February 11-13 in the district of Barisal (southern coastal belt of Bangladesh), followed by a thematic workshop on February 14 in Dhaka.

Who organized this workshop?

The Market Transformation Workshop was organized by the Embassy of the Kingdom of the Netherlands and the World Bank in collaboration with the Embassy of Sweden and iDE.

What was the purpose of the event?

The workshop provided focused-learning and reflection opportunities on some of the challenging yet critical cross-cutting issues such as women's economic empowerment, decent jobs (labor productivity and living wages), inclusive finance, value chain governance (power dynamics), measurement, and attribution and scaling models.

The event was also an opportunity to connect with global networks of practitioners to draw upon international learning and provide opportunities for local practitioners to engage with their global peers. The insights gleaned out of this event is expected to assist in the current and future design and development of more effective programs.

Context

Bangladesh has achieved stellar performance in meeting many of the UN Millennium Development Goals (MDGs), and the 7th Five Year Plan has been strategically designed to provide an appropriate policy environment for a “dual track” growth objectives in meeting the Sustainable Development Goals (SDGs) as well as taking advantage of Bangladesh’s economic success story. Despite this, Bangladesh’s challenge remains in sustaining these results through scalable models that demonstrate and support rural economic empowerment and equality, especially amongst women, youth and disadvantaged groups.

In relation to this context, Bangladesh has witnessed a flurry of “markets-focused” domestic and international development initiatives over the last two decades, characterized broadly as Market Systems Development (MSD). These are often contrasted favorably with ‘traditional’ development initiatives, which have been criticized for often being supply-driven, operating simple ‘asset-transfer’ modalities, and with ‘top-down’ decision-making dominated by external agencies rather than local communities, public agencies, and market players.

MSD-based initiatives posit that systemic transformations can be more sustainably enacted through interventions to overcome root causes of weak market performance, transforming the relationships of the poor to the wider society and formal economy. MSD can be seen to offer a number of advantages over more traditional supply-driven approach, including better cost-effectiveness, greater ability to stimulate agency and ownership amongst target poor beneficiaries and other private/public/civil society actors, and significantly higher likelihood of sustainability, replication, and scalability inherent in the solutions generated.

For domestic and international development organizations employing MSD approaches in Bangladesh, aligned with Government of Bangladesh policies and private sector capabilities, considerable challenges persist in effectively delivering on the potential of MSD such as maintaining an expertise-level of knowledge and capacity for development program staff to design, develop and implement efficient and effective strategies.

To address this challenge, there is a global recognition to develop collaborative mechanisms that:

- “Align technical approaches between practitioners and donors more” and in doing so to acknowledge that “different approaches are at different stages of evolution”, while taking into account the potential conflicts between theoretical approaches and practical implementation
- Foster and actively promote an environment where cross-learning between local networks can be initiated through “informal dialogues or more formal events
- Bring together “local networks with global and regional capacity building opportunities in order to more effectively reach local organizations
- Encourage technical contributions from members of local networks into global technical deliberations”, such as when testing theoretical concepts in practice, helping to refine these, and exploring regional adaptations and understanding

Background of the Event

This growing recognition for the value of local country-based learning networks in Market Systems Development is matched by the opportunity presented from the extensive experience of MSD initiatives in Bangladesh. Given that the first and second generation of MSD programs have now been implemented and are in some cases in the final phase of their implementation cycle, it is increasingly important that these limitations are acknowledged and practical experiences are gathered, shared and codified in current and future applications of MSD approaches, in order that the sector continues to learn and innovate in improving on the general theory that remains a highly compelling approach. To that end, a group of donors and implementing partners in MSD agreed to evolve the collective understanding of current strategies employed in MSD programs, and to translate this learning into a forward-looking concept of “market transformation,” in which markets-based programs and their staff are better equipped to propose, explore and develop more ambitious ways to deliver core MSD outcomes with enhanced incorporation of strategies that simultaneously address the most

pressing social equity and inclusion issues faced by the poor in Bangladesh.

Accordingly, the Market Transformation Workshop was organized by the Embassy of the Kingdom of the Netherlands, the World Bank, the Embassy of Sweden and iDE to bring together practitioners, policy makers and other development partners in Bangladesh to initiate the creation of a platform for bringing together their ideas and experiences around the application of market development approaches in Bangladesh. The insights from the event is expected to assist in the current and future design and development of more effective programs.

This rationale informed the organization of a Market Transformation Workshop, developed in order to:

- Create a platform for practitioners, implementers, policy makers and investors to bring together their ideas and experiences particularly around the application of market development and market transformation approaches in Bangladesh

- Provide focused learning and reflection opportunities on some of the challenging yet critical cross cutting issues such as women’s economic empowerment, decent jobs (labor productivity and living wages), inclusive finance, value chain governance (power dynamics), measurement and attribution and scaling models
- Connect with global networks of practitioners such as BEAM Exchange, SEEP and other initiatives to draw upon international learning and provide opportunities for local practitioners to engage with their global peers
- Provide inputs for adapting ongoing projects or in the design and development of innovative projects



Thematic Areas of the Workshop



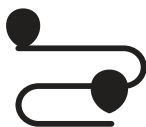
Smallholder Farmers and SMEs:

This theme explores projects' experiences in working with small scale producers, informal producers vis-à-vis large scale formal ones; use of technologies e.g. low tech vs. high tech production practices; and analyzing the shift in the variety of food producers. It explicitly considers how programs can maximize the diversity in the variety of food producers and their influence in transforming rural food markets from both supply and demand perspectives.



Market Aggregation:

This theme seeks to explore the changing dynamics of market aggregation for poor producers, and potential transformations on different types of aggregation activities. It also considers how different business models are evolving and being used by farmers and communities, how informal aggregation functions are shifting (if they are) to formal routines and spaces, and explores the extent to which additional services being provided through these points such as credit, quality changes, basic processing, inputs provision, and market information.



Last Mile Delivery:

This theme brings together various projects' ongoing results, successes and learning on facilitating the provision of last mile out-reach functions both on supply and demand side. It particularly assesses evidence of improvements in last mile deliveries from poor consumers' perspectives, and their psychosocial experiences engaging with last mile delivery actors.



Financial Inclusion:

This theme looks to evidence-based strategies that increase the inclusiveness of financial services and products. In this area, development practitioners share information and knowledge on best practices of facilitating financial services and discuss challenges on addressing women's participation, creating greater diversity of borrowers, designing more appropriate financial services and innovative financial products, as well as new delivery mechanisms for these solutions.



Market Governance and Politics:

This theme's objective is to observe and discuss how communities influence their local market spaces and how transactions are conducted within various types of relationship. It will also help explore the issues of formal and informal "rules of the game" and how those rules are set.

Thematic Areas of the Workshop



Public Private Partnerships:

This theme explores how MSD programs can foster more equitable partnerships both for public services delivery as well as private sector engagement, leading to more inclusive value chains. Also under exploration are issues around creating deeper and more equitable relationships between actors, improving the balance of access to information, and how inclusive power dynamics can be encouraged in ways that are beneficial to all parties, and understanding when MSD programs should be involved in finding “win-win-win” relationships.



Gender Dynamics:

Gender transformation and its impact/ influence in markets and vice-versa is one of the most important elements of market transformation. Accordingly, this theme explores the dynamics of changing economic roles of women in Bangladesh. Issues around how women’s mobility influences their roles and agency, the inter and intra-household dynamics of engaging in markets within changing gender roles, and lessons from deepening women’s engagement in markets and its cultural impact will also be investigated in this theme.



Climate Change and Sustainability:

This theme will center around the sustainability of value chains in light of climate change and environmental impact. It will explore the linkages between current development initiatives and their contribution towards the SDGs, particularly the changing roles of the agricultural sector in the attainment of SDGs.



Food and Nutrition Systems:

The landscape of the food and nutrition system has been evolving, largely thanks to the increased access to diversified products, services, information, and improved logistics. The objective of this theme is to explore how the public and private sector in this system can work to create food security and ensure people have reliable access to sufficient quantity of affordable, nutritious food.

Schedule of Events



Part I: Field Experiential Trip (February 11-13)

It started with a two and half-day field event in Barisal, which showcased some of the participating project's field activities and engagement. This focused on a facilitated learning session where participants engaged with market systems actors and analyzed, more closely, the project activities.

Part II: Reflection Workshop (February 14)

The event then concluded with a full-day workshop in Dhaka, including plenary sessions with keynote addresses by international experts, focused on analyzing some of the recent learning, challenges and best practices in this sector, multiple breakaway sessions, thematically organized, and a marketplace for information on ongoing development initiatives addressing market development and transformation themes.

The Process

The Market Transformation Workshop provided a space for industry experts and stakeholders to learn from the people in the communities and wider market and governance systems that aid initiatives aim to support for more inclusive, sustainable change that positively impacts everyone. To that end, the event was focused on discovering and exploring four main areas of interest to inform the future of market development programming.



1

Defining Market Transformation

Understanding how market development can be reimagined for more inclusive impacts

Defining Market Transformation

In order to explore and reach new solutions in transforming market development initiatives with a focus on greater inclusion and sustainability, the participants of the workshop recognized that we must collectively develop a broad definition of “market transformation.” However, it was recognized that “one size does not fit all” when it comes to balancing evidence-based good practice with a wide variety of different contexts in which market development initiatives are undertaken, including demographics, geography, and outcomes desired.

Therefore, any definition of market transformation must provide a guidance for considering market development initiatives, while also enabling different interpretations and perspectives on what transformative change is, and how it might be delivered across different situations and conditions.

Accordingly, while within the #MTW2017 forum, market transformation was broadly **framed** as:

Market Transformation is the design and delivery of Market Systems Development strategies and practices that

i) foster profitable business development with high ethical standards as well as market linkages, within

ii) fair value chains with high quality standards and reiterative interactions between the poor and public/private actors, supported by

iii) efficient market systems with high levels of trust and good governance.

However, it is recognized that numerous perspectives and interpretations can inform this imperative for expanding and enriching our framing of market development into Market Transformation.

To that end, the keynote speakers from #MTW2017 explored different ideas around this basic premise, to provide different interpretations of what transformative change in markets might be to development practitioners, public and private stakeholders, and most importantly, the poor themselves.

Welcome Note



Madame Ambassador Leoni Cuelenaere
Embassy of the Kingdom of the Netherlands

As we explore the market systems that have developed in Bangladesh, we recognize that the value generated at the bottom of the agricultural supply chain is low. It is in this space that we must increase the accessibility to the market so that nobody is left behind. This requires specific market transformations, particularly in the field of gender and food system dynamics.

It can be triggered by new technologies to improve access, brokers to improve links between producers and buyers, technical assistance to improve value addition at producer level, government to regulate the level-playing field, and by organizing producers to acquire more bargaining power.

'Market transformation' is a vague term but it was done on purpose to open up the discussion and create diversity rather than close in on a definition of a particular approach. We want ideas, more ideas, rather than a particular approach.

We want ideas, more ideas, rather than a particular approach.

Keynote Speaker



Dr. Madhur Gautam is a Lead Economist with the Agriculture Global Practice at the World Bank. He has a PhD in agricultural economics from the University of Maryland. His experience at the World Bank over the past 25 years spans Development Economics (Research), the Agricultural Policies Unit, the Independent Evaluation Group, and Operations in Africa and South Asia.

Market transformation is deeply rooted in the evolving context of food systems and understanding both the demand and supply sides as equally important is critical in understanding markets. Linked to overall country development, market transformation is essentially the “blue dots becoming yellow” (referring to the transition of economies in his slides) over time moving to stronger market growth.

One of the promising opportunities in transforming food value chains has been the private sector. The crowding in of the private sector drives innovation. Over time as efficiency increases, the private sector starts to specialize. Evidence of this can be found in Bangladesh of specialization in terms of seasonal crops. Other promising opportunities include, the rise of the supermarket chains and e-commerce which is transformative in rural areas and helps to decrease exploitation through information dissemination.

As the changes occur, the public sector plays less and less of a role as a direct implementer and more as a facilitator, which increases the scale and sustainability of the market system.

However, these opportunities are tempered by the ongoing challenge of linking smallholder farmers to profitable markets and more analysis is required to intervene at the policy level to impact smallholder integration into markets.

By prioritizing the support of the enabling environment, including access to finance and overall infrastructure (roads, traffic, electricity supply) research shows that this will positively impact the physical market structure, crop improvements, and the business enabling environment supporting smallholders.

Keynote Speaker



Prof. Ruerd Ruben is professor of impact assessment at Wageningen University and coordinator of research programs on food security and value chains at Wageningen Economic Research (WEcR), The Netherlands. His research concerns the prospects for smallholder participation in tropical food value chains, the effectiveness of rural cooperative organizations and the impact of certification in value chains.

Since the independence of Bangladesh, nutrition and food systems have changed drastically. However, although the prevalence of wasting and stunting has gone down, the ultra poor are still at risk of micronutrient deficiencies. These micronutrient deficiencies have also contributed into increasing rates of obesity in the middle and upper classes. The emerging dialogue of nutrition in transforming markets is helping to find a healthy balance for those who previously suffered malnutrition and are now increasingly becoming obese. These individuals have experienced significant changes in dietary practices due to the increasing prevalence of processed food items

(soda, chips, etc) through changing consumption patterns and outlets for purchasing food. As we look to transform the market, this market transformation must be measured in terms of consumers. This is focused not only on increasing consumption, but focusing on healthier, more accessible food for the whole household.

Additionally this must look at the importance of sanitation in the impact on nutrition. Ultimately food has the opportunity to create transformative change, but this must be tempered with an understanding of the inherent risks.

” Food can be the solution, but also the problem.

Keynote Speaker



Dr. Paul Polak is the founder of iDE, and has been recognized by *Scientific American* as one of the world's leading 50 contributors to science. His book, *Out of Poverty: What Works When Traditional Approaches Fail*, has rapidly become the bible for anyone looking for practical solutions to poverty.

As we seek to transform the market, we need to be clear about what type of transformation we are talking about. Perhaps it is about transforming the way we think and act about poverty and the ways in which large global organization shape policy.

Big businesses hold a unique and important role in transforming livelihoods in reaching beyond shareholder concerns. These multinational corporations are able to reach significantly more scale than any other type of business, but do create both damage and good to the market system. It is our job to create new standards for global business leading to market transformation. But, the question remains - how have real market transformations taken place? In two simple elements: radical transformations in cost and miniaturization.

Reductions in costs through the miniaturization of products and efficiency gains in process has resulted in significant market transformations.

Think about the computer and the significant impact of reducing cost and size has made on the market. Similar distributions in cost and size can create waves of market transformation and we need to actively search for these opportunities.

At its core, market transformation is creating markets that didn't exist before by building on the advanced markets of today.

Panelists



Abdur Rob
Practical Action



Alexis Ellicott
CNFA



Anowarul Haq
CARE



Craig Meisner
CIAT



GB Banjara
Swisscontact - Katalyst



Hasan Mazumder
The Asia Foundation



Jan Helder
WUR



Josh Woodard
FHI360



K.M Abdus Salam
Government of Bangladesh



M.A. Sattar Mandal
FAO

Panelists



**Meredith Jackson-
deGraffenreid**

Helen Keller International



Naveed Akbar

BRAC



Parvez Asheque

CARE



Randall Brummett

The World Bank



Rokeya Begum

The World Bank



Sara Taylor

The Asia Foundation



Shakeb Nabi

Christian Aid



Simon Brown

VSO



Tessa Schmelzer

ICCO Cooperation



William Collis

Winrock International

2

Connecting with People

**Capturing the stories and experiences from people
in the field on transformative change**

Capturing and Validating Stories of Change

In order to capture these learnings, 23 international and in-country experts from policy, government, and practitioner organizations joined a three-day field investigation in the southern division of Barisal to learn about the experiences of some of the key stakeholders involved in facilitating more inclusive, transformative market environments - this was especially focused on the interaction with the people in local communities. The participants visited eight different ongoing and recently concluded development initiatives across Barisal and Patuakhali districts in order to engage with the communities and wider market/governance system actors that are leading these changes.

- Across three different groups, the team spent time with several different communities, trying to discover and explore their stories of transformative change including:
 - What within the project's scope did people need and want in their work or lives?
 - What types of changes do people perceive the project was trying to facilitate in the local market system
 - What have been some of the major trends and changes in people's work or lives across the market transformation themes?

- What opportunities and challenges emerged in trying to improve people's work or lives?

Following this field work, the participants returned to Barisal with four additional objectives:

- To capture the dynamic stories of people's experiences undergoing transformative change, including both positive and negative interactions and relationships, and the resulting outcomes for the resilience and benefit of communities, households and families
- Begin identifying how the development sector might be more "transformative" in facilitating sustainable, inclusive changes for people within wider market contexts given what was learned
- Organize that learning across broad market transformation themes to help balance and prioritize different tradeoffs and/or complementarities across different topics
- Consider how these learnings can inform the design and management of more inclusive project strategies, interventions and approaches across donors, policymakers, researchers, and implementing organizations

Concurrently, the organizing committee arranged a consultation and validation workshop with members of local market and governance systems to learn more about the systems-level experiences of the public, private and community stakeholders that drive the sustainability and scale of positive changes generated for people at the base of the pyramid. This workshop focused on understanding:

- Their sense of "self" and where and how they fit in the complex production and market systems/ value chain as well as their most valued linkages and network
- Emerging opportunities that they have found for business collaborations
- The added value that they see (if at all), for a local platform to discuss (and act upon) business related challenges and opportunities

Project Briefs

Cereal Systems Initiative for South Asia (CSISA-MI): Funded by USAID, the International Maize and Wheat Improvement Centre (CIMMYT) is leading the project in partnership with iDE to promote a transformative shift for small-scale farmers towards the uptake of affordable and appropriate technologies by strengthening the supply chains of key manufacturers, dealers, and maintenance mechanics. The project promotes three core technologies to drive more precise and resource-conserving agriculture practices: axial flow pump, power tiller operated seeder, and reaper. These machineries boost yields by maximizing the productive use of soil moisture, fertilizer, and seed, while saving farmers' time, labor, and money.

Agro-Inputs Project (AIP): CNFA implements the USAID-funded Agro-Inputs Project (AIP) to improve the knowledge of and access to quality agricultural inputs for farmers in the Feed the Future (FTF) zone of Bangladesh. They have created Agro-Input Retailers Network (AIRN) to improve advisory services and availability of high-quality inputs to farmers through certified retailers who make informed business decisions for efficient and ethical operations. AIRN is a membership-based organization of retailers that delivers information, training, and advocacy for at least 3,000 input supply retailers.

Making Market Work for Women (MMWW): Making Market Work for Women (MMWW) aims to strengthen food security in target areas by promoting female agri-entrepreneurship through improving women's access to nutrition and sexual and reproductive health (SRH) care and market transformation. The project works with female agri-entrepreneurs, government institutions responsible for service delivery, boy and girl clubs as well as market committees. Female entrepreneurs will be grouped together to receive training on nutrition, SRHR, behavioral change, leadership, business development and advocacy.

Profitable Opportunities for Food Security (PROOFS): Profitable Opportunities for Food Security (PROOFS) is a four-year project, which aims to improve the household food and nutrition security, feeding practices for women of reproductive age, infants and young children and WASH (water, sanitation and hygiene) situation of 80,000 rural households at the Base of the Pyramid (BoP) in northwest and southwest Bangladesh. Funded by the Embassy of the Kingdom of the Netherlands, the project is being implemented by ICCO Cooperation in partnership with iDE, BoP Innovation Center and Edukans. The project is implemented through a combination of proven as well as innovative nutrition messaging and social marketing strategies and market-led interventions in agriculture, water and sanitation. The interventions are complemented by an additional Vocational Education Training (VET) component targeting adolescent drop-outs.

Project Briefs

Integrated Agricultural Productivity Project (IAPP): The Integrated Agricultural Productivity Project (IAPP) has four components: (i) Technology Generation; (ii) Technology Adoption; (iii) Water Management; and (iv) Technical Assistance for Capacity Development (referred to as IAPP TA). The first three components are referred to as the 'direct investment' components. They are implemented by a Project Management Unit under the Ministry of Agriculture and the Ministry of Fisheries and Livestock and are supervised by the World Bank. The technical assistance component is supervised and implemented by FAO. The overall objective of the IAPP is to sustainably enhance productivity of agriculture (crop, livestock and fisheries) in two agro-ecologically constrained and economically depressed areas – Rangpur and Barisal.

Sanitation Marketing Systems (SanMarkS): The purpose of Sanitation Marketing Systems (SanMarkS) is to contribute to UNICEF WASH Program Component Result (PCR), which aims to ensure that socially excluded and economically marginalized groups increasingly utilize and participate in the management of safe and sustainable sanitation facilities. The project aims to increase access and use of improved sanitation services and hygiene behavior by poor and disadvantaged individuals and households. By stimulating private and public sanitation service providers to sustainably expand equitable provision of improved sanitation services, the poor and disadvantaged individuals and households are reached.

Blue Gold: Blue Gold is a collaboration program between the Government of the Netherlands and the Government of Bangladesh. The program is implemented by the Ministry of Water Resources, through Bangladesh Water Development Board and the Department of Agricultural Extension. The Blue Gold Program establishes and empowers community organizations to sustainably manage their water resources, and based on their priorities, delivers the services for which those community organizations have expressed a demand. Blue Gold Technical Assistance (TA) is provided through four consultants from The Netherlands and Bangladesh: Euroconsult Mott MacDonald (lead consultant), FEMconsult, Socioconsult, and BETS Consulting.

Shikha Shastha Unnayan Karzakram (SHISUK): Shikha Shastha Unnayan Karzakram (SHISUK) which stands for Education, Health and Development Program, is an independent, non-profit, non-government Organization which has emerged with distinct mandates since its inception in 1994. The focus is on upholding the worth of every human being and the solidarity to offer everyone a dignified peaceful existence, regardless of age, class, gender, origin, religion or political conviction. SHISUK works to demonstrate management of resources: human, knowledge, land, water and capital in partnership with the community to facilitate self-reliant sustainable development and equitable sharing of benefits.

3

Investigating our Learning

**Compiling our collective insights on how the aid industry
can support more transformative changes**

Back in Dhaka to Broaden Our Understanding

Following the experiential field visit, #MTW2017 convened a larger group of national and international experts to build on the field findings and catalog our shared experiences in market development.

To do so, the workshop's field participants reflected on their experiences with the communities and people working with eight different development projects, and translated these stories into insights related to each of the nine workshop themes. Within each thematic box, stakeholders could catalog their experiences in terms of:

- **Learnings:** Key insights uncovered from field visit and prior/ongoing experiences in market development
- **Pains:** Issues of challenge or difficulty that BoP communities and aid programs persistently experience
- **Gains:** Good practices found that can contribute to transformative outcomes
- **Opportunities:** Areas/channels in which more transformative change is possible

Back in Dhaka, the wider body of stakeholders at the final day of the event then added to this catalog of insights with additional experiences, learning, challenges and opportunities across a wider spectrum of MSD programming.

The results comprise a rich preliminary description of the "state of the field" in MSD in Bangladesh, enabling the start of more intensive discussions and debates on where transformative change can be achieved going forward.



Smallholder Farmers and SMEs

How can smallholders and SMEs most effectively and sustainably compete within the market?

Smallholder farmers and SMEs are the backbone of the agriculture and rural market in Bangladesh. Throughout the workshop, participants explored the most effective and sustainable ways to engage with the market such as:

- Moving smallholder farmers from the modality of farming by default towards farming by design which offers more opportunities for sustainability
- Engaging smallholder farmers and SMEs with proven ICT interventions which offer strong possibilities for income growth by connecting them to the wider market
- Strengthening market linkages between upstream and downstream market actors which in turn increases knowledge across the value chain smoothing out the bottlenecks
- Empowering farmers through options in interventions, sectors and engagement that can offer stronger sustainability after a project is complete

[It is] commonly mentioned that all farmers will become entrepreneurs. This is simply not true. It is not easy to know who will be an entrepreneur and who will not.

- Prof. Ruerd Ruben



LEARNINGS

Farming and farm-based enterprises are associated with low social status.

Market linkages can increase knowledge for farmers, provided the relationship is based on mutual benefit.

There is a need for farmers to understand profit margins along the value chain to be able to negotiate better and thus increase their own profits.

The overall distribution of value through supply chain (especially at the farm level), is inequitable and low for producers, regardless of the final selling prices. How do we shift value down the supply chain?

Importance of empowering farmers to be able to independently identify new market opportunities for production as well as aggregation.



PAINS

Farmers don't wish their children to take over the farm - they want something "better" for their family.

One-off 'zero-sum' transactions between farmers and markets hinder the development of long-term relationship to be sustained beyond the initial purchase. How do we build trust and mutually beneficial transactions?

Risks for smallholder farmers are exponential and often ignored by other value chain actors (e.g. post-harvest loss).

Farmers often have to face untrustworthy agricultural extension advice as well as suffer the consequences of low quality inputs (often counterfeit products in market).

Agriculture market chains are inherently transactional, highly competitive, exclusive and extractive with no interest in health of whole system.



GAINS

Increasingly, farmers feel empowered through having more options available for them than before.

Farmers are adding value to their agricultural produce through using low cost value addition methods such as packaging and specific retail marketing.

Facilitating analytical skills in farmers enhances the potential sustainability of interventions and overall progress of farmers.

Drastic change in income can be witnessed from small ICT interventions.



OPPORTUNITIES

How can smallholders move away from farming by default and towards farming by design?

How can we further demystify the negative image of an "exploitative private sector" for farmers?

Scaling up changes to selling practices towards aggregation rather than individual sales has huge potential to increase farmers income.

Further promotion of increased packaging and labeling can increase marketability of products to distant markets for farmers and reduce post harvest loss.



Market Aggregation

What are the key features of effective, inclusive aggregation at community level that sustain within commercial markets?

Market aggregation has been a building block of producer empowerment for rural smallholder farmers in Bangladesh. Throughout the workshop, participants explored key features that provide opportunities for smallholder farmers to engage in rewarding value chains such as:

- Finding ways to create quality standards for output sale as well as facilitating specialization in production whilst limiting exposure to market fluctuations and climate risks
- Ensuring appropriate assessments of the market, market actors and the enabling environment before jumping into interventions to ensure a 'do no harm' policy for sustainability and social welfare
- Harnessing the power of ICT interventions to deliver market information and to communicate aggregation practices to remove barriers and streamline processes
- Strengthening entrepreneurs to support the aggregation and provide market intel to farmers to support market integration as transparency in transactions

We have learned to teach farmers to be better business people over time, and the key skill in reaching this has been negotiation.

- Meredith Jackson-deGraffenried



LEARNINGS

Whilst output aggregation increases farmer income, it also decreases farmer's autonomy.

In order to maximize the benefit from lower order market functions, such as aggregation, investment in capacity development is vital, especially in business skill for small market actors and farmers.

As aggregation functions, where it is non-existent, requires a new way for producers to work, it is essential to ensure sustainability of interventions for continued benefit.

Strengthening pre-existing infrastructure as opposed to developing new ones should be a priority. Warning not to overlook what already exists in system.

Lack of appropriate assessment before undertaking interventions: without completing a proper analysis interventions waste time and resources.

Governance: when creating output market spaces governance is an integral feature to consider.



PAINS

Creating fairer share of value - looking at value chains in new ways. Market chains are inherently transactional - competitive exclusive, no interest in health of whole system.

Vulnerability of farmers to market forces, and the ways in which forward planning and aggregation can overcome this.

Limited post Harvest processing and knowledge. Lack of post harvest management practices still contributing to harvest loss.

Creating quality standards for output sale with a fragmented farmer population - many different practices and products from individual farmers.

Market syndicates - vendors not willing to negotiate with farmers. Overcome through pre-negotiating prices before traveling to market.

Development project driven: interventions which are project driven without private sector or community engagement are not sustainable.



GAINS

Partnerships with different stakeholders ensure sustainability after the project intervention ends.

Key step in sustainability is ensuring that as development practitioners we build the capacity of farmers, who can then in turn continue their knowledge to create a level playing field for co creation between groups and private sector.

Entrepreneurs and market intermediaries can earn more by grouping farmers for aggregated sales. Using "farmer centers" that operate as profitable business by providing aggregation functions for buyers.



OPPORTUNITIES

Impact of mobile phones for remote areas bringing products to markets. Harness the potential of ICT overall to deliver market information.

Need to understand better what capabilities we as development projects are leaving behind.

Group-based aggregation is a useful tool for small farmers to increase their market access.

Understanding how aggregation activities affect women and working with creative solutions to overcome gender barriers to markets.



Last Mile Delivery

What are key features of effective, sustainable and inclusive last mile delivery on both demand and supply sides?

Last mile delivery in a country with a population as well as market density such as Bangladesh seems significantly easier than in other areas, however it remains a barrier in the specific geographical regions such as the hill tracts, Chars and Hoar regions. In the Dhaka workshop Session D: Changing dynamics of market aggregation and strategies for improving last mile delivery, participants explored the key features for effective last mile delivery on both the demand and supply sides such as:

- Exploring the right mix of social, commercial and public supply chain systems will help drive intermediaries where commercial interests are high and help fill the gap, through social and public resources, where commercial interests are low
- Researching and monitoring the incentives of last mile delivery actors is critical as they are often discontent with their roles and are frequently replaced, disrupting linkages to consumers, dealers and SMEs
- Exploring last mile delivery in farm centric domains (e.g. agriculture and livestock) is critical and should leverage existing market infrastructure, while not displacing government extension actors



The glorious return of the middleman/woman.

- Jan Helder



LEARNINGS

Products: importance of ensuring right mix of products and services and appropriate quality

Importance of including business planning of all market actors and farmers.

Rather than training farmers to be inputs providers, focus on training farmers to make informed commercial choices through inputs providers.

Tools used in training should be easily replicable by market actors for easy scaling.

The key to finding the right mix of impact and sustainability in not to rush market partner selection.

Sustainability in creating last mile delivery that works for the farmers lies in increasing both the depth and breadth of services.

Last mile delivery = middleman, middle person, hence development initiatives have to be “okay” with this fact.



PAINS

There are still gaps in the last mile delivery in agricultural extension - in the last mile, literally.

Erratic supply compounded by low quality inputs are causing farmers to continue to rely on using retained seed which reduces production.

Remoteness: challenges in reaching remote customers due to limited access to roads to get to market - particularly in the Chittagong Hill Tracts.

Subsidy: Can be overused by development projects and distorts the real and sustainable incentives for immediate short term project focused gains.

Exclusivity (in the access to products and services) restricts opportunities for last mile delivery actors.

Middle-men or market intermediaries often seek high profit margins at the cost of farm gate price.



GAINS

Successes from utilizing pre-existing market channels to deliver products to last mile

Facilitating social enterprise networks and foundations for this type of last mile delivery to work efficiently are good examples for past success, e.g. retailer network.

With increasing presence of delivery channels, customers are highly satisfied with door-to-door services and reduced transaction costs.

This model acknowledges the often critical role of female traders in agri-food value chains.

Combining farmers groups with a business champion can be a method of ensuring last mile delivery.



OPPORTUNITIES

Moving from physical shops to virtual systems and to door to door service has tremendous potential.

Links to networks and private sector as back-end supply chain has increased sustainability of last mile delivery business models.

Social business is not bound by scale, “a new frontier of business”.

When oriented effectively, middlemen can make a positive “comeback”

Women can play a vital role in the supply chain, particularly at the last mile.



Market Governance and Politics

How do communities influence local market spaces? How are inclusive relationships, norms and practices set up/enforced/maintained?

Market governance and politics are often overlooked as the invisible features of a market, however this overall business enabling environment (BEE) can either facilitate positive change or can be an insurmountable barrier in any market system. In the Dhaka workshop Session B: Market Governance and Politics, participants explored how communities can influence local market spaces and ways to foster inclusive relationships, norms and practices such as:

- Understanding the dynamics required to steer market performances, build trustworthy relationship, reduce exploitation, endorse inclusiveness and foster sustainable linkages that ultimately help positively transform the market for all involved
- Role of policy makers and private sector to find the right balance in the development of ethical market standards and practices which is not distorted by public over or under regulation.
- Understanding how social hierarchies affect market actors and reputation which supersede basic business indicators such as profit and loss

Poverty is political, the problem is political, so the solution needs to be political.

- Shakeb Nabi



LEARNINGS

Self selection of functions by market actors are not only based on economy but also on social dynamics.

Concerned too much about sustainability and scalability in terms of income, not rights.

Design interventions and programs using consumer insights, choice and affordability.

Getting the right stakeholders on board, interested and engaged.

Creating transparency in sensitive food value chains such as dairy using technologies (fat testing) can increase trust and reduce risks.

Community based and community led market governance can enable communities to collaborate and benefit equitably whilst also reducing risks of being dependant on external market actors.

Creating relationship is difficult and requires ethical business practices to be adhered by both producers and buyers (e.g. dairy farmers lost 20K liters of milk when private processors failed to honor the MoU).



PAINS

Too much focus on top-down approach, not bottom up. Policies needs to be harmonized to benefit equitably.

Government local agencies are under resourced to implement policies which often erodes farmer confidence in such agencies.

Existing unethical behavior in the market (syndication, corruption, adulteration etc) by higher end market actors coupled with fragmented producer groups leave farmer vulnerable.

Lack of effective good governance and focus on short term profit lead to poor CSR and business ethics.

Land and water ownership barriers creates huge disincentive for farmers to increase their investments in productive assets. This often leads to short-term extractive behaviors that have negative environmental consequences.



GAINS

Holistic engagement of trader association with farmer groups and link them with government extension officers.

Working with MFIs to design loan products for sanitation entrepreneurs and pilot them, now expansion with government.

Targeted financing in the form of customer toilet loans for moderate poor and subsidies for the extreme poor.

Use of technology to increase competition in the local market that enforces business ethics.

Rate of land increases when infrastructures in put in place further limiting access to productive resources for producers.



OPPORTUNITIES

Understanding of how social hierarchies affect market actors and reputation in the society supersedes basic profit-loss.

Redesign 'process' to reduce unethical behavior in the market.

Enforcing the existing rules and education to increase practicing business ethics.

Rethink partnership for government where NGOs take lead in educating and training, and increase knowledge for transparency, help enforce rules that are already in place.

Think of technology as a tool for change from the beginning to transform market relationships to enforce good governance.



Food and Nutrition Systems

How has inclusive access to diversified products, services, information, and improved logistics influence change?

Food and nutrition systems have become more inclusive with access to more diversity and improved food, supply logistics and market innovations. In the Dhaka workshop Session E: The influence of producers in transforming rural food markets and emerging changes in food and nutrition systems, participants explored how access to products, services and information has increased inclusivity or created barriers through examples such as:

- Understanding how information flow and relationships between producers and consumers (along with other market actors) is built on trust, risk and benefit to transform value chains which impacts food and nutrition systems
- Reviewing the continued barriers of scale based on food safety to create pathways to markets and to change consumers perceptions around what constitutes nutritious food
- Improved logistics for mechanized agriculture through rental models can improve access to more efficient and effective planting and harvesting modalities

This event is called a market transformation event, but we need to open up the discussion to include all systems transformation, including land systems, labor systems, and food systems.

- Prof. Ruerd Ruben



LEARNINGS

Women are key influencers in increasing household food security and nutrition situation.

Importance of trust in value chain in order to transform value chains, e.g. fish vs. shrimp subsector.

Understanding the typology of producer is important before designing any interventions.

Difficult to create standardized quality when selling on commercial scale with so many farmers who are farming with so many difference methods (inputs, production practices).

Group based production is the key to overcoming this constraint.



PAINS

Women have knowledge, skills and often experiences but not necessarily access to products and services which they can utilize to engage in rewarding markets.

Land-leasing remains the biggest hurdle for improved nutrition.

Increasing in food crops and cultivation in Bangladesh overall but have not increased nutrition intake rates in rural areas.

Any certification (e.g. certification of formalin free or organic) requires high investment, high levels of adherence to compliance standards and high levels of monitoring, all of which is problematic in such fragmented market space.



GAINS

Food security and nutrition in an intergenerational intervention, hence it is critical that women take their learning about nutrition and SRH forward to their daughters to follow.

Door-to-door availability of contraceptives, vitamin tablets and sanitary pads for those with limited access is a huge step in the right direction.

Increasing nature of agricultural towards commercialization of agriculture is vitally important on the macro scale, however this also means that the decline of smallholder farmer is on the horizon.

Impact of increasing middle class urban based consumers on food and nutrition systems.



OPPORTUNITIES

Door to door sales increase availability for women consumers for nutrition products.

When trained, women are more likely to pass on food security and nutrition messaging around, within their families and their communities, making them ideal change agents.

With ICT interactions dependent on trader, farmers have decentralized methods of finding market information through mobile.

Balancing competing needs of different value chain actors (producers and processors both want to increase profit).

The role of agricultural mechanization in transforming food and nutrition systems.



Public Private Partnerships

How are more equitable partnerships between the public/private sectors facilitated and maintained sustainably?

Public private partnerships take work, a lot of work. Simply expecting everyone to get along will never be enough.

- GB Banjara

Public private partnerships continue to create platforms for sustainability and scale in rural markets. In the workshop, participants explored how to increase the equity between the public and private sectors for stronger facilitation and maintenance of these partnership through examples such as:

- Exploring the policy landscape for strengthening the incentives for inclusive business practices and sustainability at the last mile
- Coordinating the roles and responsibilities of public and development sector to enable inclusive and responsible market system led by private sector
- Reflecting that formal partnerships facilitated by projects may not last, but that the relationships reflected in these partnerships can last and this represents sustainability
- Ensuring the right interface between the relevant public and private sector actors who many not speak the same “language”, but ultimately have the same goals



LEARNINGS

Partnerships are critical to sustainability, but these actors are often tagged on to project and not integral to the project because of the asymmetrical incentives

Importance of having a policy framework that is conducive for private sector actors to expand businesses.

Farmers often have to face untrustworthy agricultural extension advice as well as suffer the consequences of low quality inputs (often counterfeit products in market).

In the current national context, it is significantly easier, and perhaps more effective from an operational perspective, to promote more top-down solutions



PAINS

Government policy is a cornerstone of partnerships for women's economic empowerment and is not understood by many implementing partners.

Unbalanced objectives between donors, public sector and private sector.

Formal partnerships will not last, but that the relationships reflected in these partnerships can last and this represents sustainability. Government local agencies are under resourced to implement policies which often erodes private sector confidence in such agencies.

Existing unethical behavior in the market (syndication, corruption, adulteration etc) by higher end market actors coupled with fragmented producer groups leave farmers vulnerable.

Lack of effective good governance and focus on short term profit lead to poor CSR and business ethics.



GAINS

SDGs focus directly on partnerships, providing incentive for collaboration.

The public and civil society sectors are encouraged to work with private firms to buy-down the risks of implementing top-down solutions through smart subsidies and other in-kind support services.

A lot of private companies such as Lal Teer, Agora and Pran are producing quality products and raising incomes for farmers.



OPPORTUNITIES

Development sector can broker relationships between public and private sector actors.

Aligning goals and objectives under the SDGs.

Coordinating roles and responsibilities of public and development sector to enable inclusive and responsible market system led by private sector.

Ensuring translation between the relevant public and private sector actors who many not speak the same "language", but ultimately have the same goals.

Rethink partnership for government where NGOs take lead in educating and training, and increase knowledge for transparency, help enforce rules that are already in place.



Gender Dynamics

How are changing markets creating new opportunities and challenges for women and men? What are the most effective ways to sustain women's economic empowerment?

Gender remains a challenging and nuanced component of the market system. In the Dhaka workshop Session A: Changing gender dynamics and its impact on markets, participants explored how the changing markets are creating opportunities and challenges and the most effective ways to sustain economic empowerment such as:

- Understanding the lack of incentives for hiring women and paying women a fair or equal wage and identifying public and private sector roles in adhering to the principles of decent work
- Establishing gender programming which goes beyond charity work, but that gives women voice as economic actors and agency to have informed choice for their own (and their families) welfare
- Looking at emerging ideas on innovative business opportunities as well as business models that can positively help to support female entrepreneurs' entry, growth and sustainability in rewarding value chains
- Understanding external and internal household and community dynamics, social hierarchies and informal and well as formal barriers for women's access to critical business inputs, including financial services

It's easy for us to forget how long it took developed countries to get to where they are now.

- Sara Taylor



LEARNINGS

Despite women's various roles in household income, women still feel that they lack agency in making purchasing decision.

Balancing household management and work is still difficult and increasing project requirement (group formation, discussions, etc.) further adds to time poverty for women.

Peer-to-peer learning is more effective than NGO-group training.

Serious gender programming requires an iterative approach and investment in understanding contextual issues therefore it shouldn't be a checkbox.

In most communities, individual's behaviors are strongly shaped by their gender norms, thus short term interventions may not be as effective.

Systemic change, especially in gender focused programs requires more flexible funding opportunities.

Supportive families are critical to the success of women's economic empowerment.



PAINS

Illiteracy and innumeracy limits women's access to markets.

Women remain separate from core "power-center" of markets and communities, typically dominated by men - for women, it is almost like "peeking from the windows".

Social issues are significant externalities to empowerment.

Most often, programs that use women's economic empowerment as an approach can often re-entrench gender norms.

Many projects do not fully understand the nuance required for strong implementation - the practical nature of working with women has to be realized.

Women are still hired because they are cheaper labor.

Land rights and ownership of lands and homes.



GAINS

Women are ready to take the challenge even if they make mistakes on the way. Their confidence level is high if given the opportunity.

Most often, when asked, rural women equate independence to their ability to grant children's wishes, hence financial improvement is critical to increasing agency.

The social norms of women helps them share common experiences which often leads to learning from the experiences of other women.

Women's success can break norms around decision making in households. We need to be able to leverage this in order to bring about transformation in women's economic empowerment.

Production and sales of non-food goods and services often offer more visible opportunities than agri-business.

Girls and boys are more open to collaborative discussions and are not as entrenched in gender norms.



OPPORTUNITIES

Access to critical products and services delivered door-to-door through sales agents increase service to women.

Gender programming goes beyond charity work; it gives women voice as economic actors.

Finance for women is still coloring inside the lines and requires a shake-up.

Out-of-the-box, non-project thinking can radically change the game-beyond projectization.

Some industries absorb women easily; look for unique pathways for women's economic empowerment.

"The death of projects" can lead to further innovation and a systemic approach.

Engage with the private sector in unique ways to leverage incentives.



Climate and the Environment

How are people in value chains sustainably adapting to climate changes, or creating new inclusive opportunities in the green economy?

Living in a country with high risks associated with climate-related shocks, especially for people living in poor and disadvantaged communities, means that climate adaptation and resilience is everyone's business in Bangladesh. In that spirit, the government, private sector and civil society are increasingly collaborating to sustainably adapt to climate changes and create inclusive opportunities in the green economy. In the Dhaka workshop Session C: Sustaining Innovation within an Unpredictable Climate, participants explored how government and market actors are adapting to climate risks through activities such as:

- Understanding the economic restrictions and barriers to creating market viable opportunities in addressing climate change
- Shrinking the gap between research and implementation for better coordinated resilience strategies
- Gathering insights from consumers, households and market actors to support inclusive opportunities
- Reviewing government programs to best leverage resources and policies to support market demand for resilient products
- Performing participatory After Action Reviews after climatic events to document strengths and weaknesses in the reactive systems to increase resilience in markets, products and business models

Markets can only play economically viable roles in addressing climate change.

- Jan Helder



LEARNINGS

Aid programs should increasingly focus on demonstrating the linkages between gaps in climate resilience/adaptation and risks to commercial investments/operations in the long run.

Responsive/accountable governance and market systems are both simultaneously needed for adapting with climate change - one system cannot be improved without the other.

Managing expectations with communities on what is feasible and how best to deliver improved resilience/adaptation is an overlooked but critical activity in effective programming.

BRAC Dairy effectively adjusted its supply chain systems and strategy through investigation and forecasting of flooding dynamics. MSD projects should look to provide this type of support to more market actors/companies where applicable/ value-adding.



PAINS

Programs must find ways to better communicate and offer alternative climate-smart technologies and practices while improving livelihoods.

The business case and cost-benefit with regard to climate projects needs to be well-articulated to communities.

Programs need to facilitate dialogues to transfer the local knowledge and learning accrued by poor communities private service providers/firms that interact with them.

Gaps exist between taking research to market in climate adaptation. This pipeline needs to be more interconnected.

Public resources can be limited in addressing market demand for resilient products, so new private suppliers need to be approached.



GAINS

Programs should further explore cost-effective solutions, such as climate-resilient adaptations (e.g. dams) as a means to generate revenue for poor communities while simultaneously improving resilience

Private sector actors and producers are figuring out solutions together by engaging directly and co-creating new business models with appropriate climate-smart technologies.



OPPORTUNITIES

Programs need to find channels to better share mistakes/failures peer-to-peer, and especially with and across communities.

More effort needs to be put into uncovering and recording these expectations at the onset and throughout an MSD program.

Cataloging and disseminating the right technologies in collaboration with public/private partners will be increasingly important.

Planning MSD interventions/activities with a stronger understanding of the actual disaster occurrences and dynamics will significantly improve the cost-effectiveness and overall impacts of programs in the future.

Programs should devote more effort to finding solutions to reduce transaction costs for making markets more resilient.



Financial Inclusion

What are key features of inclusive financial products, services, and business models, particularly those targeted toward women?

Bangladesh has been a hub of innovation in financial inclusion with its early success in creating sustainable MFI models as well as the emerging innovations on digital financing. Despite this, access to credit remains one of the most critical challenge for smallholders and SMEs in starting, growing and sustaining their business. In the Dhaka workshop Session F: Increasing inclusiveness of financial products and services, participants explored the features of inclusive financial products service to help support equitable access to financial services such as:

- Limited access to fixed assets (such as land) limits the borrowing capacity for smallholders and SMEs, especially when financial institutions are unable to innovate beyond collateral based credit products
- Financial requirements for smallholders and SMEs are highly contextual and unique to their requirements, thereby requirement more than a “one size fits all” solution
- Innovations in technology has to be combined with innovations in credit products (such as credit guarantee, warehouse receipts, value chain financing)

Markets are not a solution to everything, just like microcredit is not a solution. It is a tool.

- Dr. Paul Polak



LEARNINGS

VSO using farmer hubs to provide financial services through partnerships with Bank Asia, creating retail finance in rural location through housing financial services at farmer centers.

Use of savings groups to aggregate demand which will in turn attract the private sector to provide financial products.

A lot of interpersonal finance takes place in the supply chain.

Formal credit is at 31% and cash is still king.

Banks are highly risk averse in lending to rural consumers given that they still don't understand rural markets and how rural economies work.

Financial literacy is limiting farmers from optimizing how they use financial services.



PAINS

Farmers suffering from crop debt (up to 50% interest per season).

Must demystify the gap between supply and demand of financial services.

Mobile banking is perceived as having higher costs among rural consumers. This perception must be addressed for mobile banking to grow.

Finding the balance between prototyping and moving to scale for loan products can be challenging.

Financing for the sub-sectors to create employment for adapting with climate change.

Are farmers ready for mobile systems? Limitation is the access to and use of digital technology is a major hindrance to its acceptance.



GAINS

Address the "missing-middle" loan products for entrepreneurs that meet the needs (30,000 - 100,000 BDT @ 10% and 24 months).

Awareness is very high, however that doesn't translate to use of mobile credit.

Moving to scale is happening to make commercial sense, but requires linkages to the development community.

Understand the incentives and restraints to banking, beyond the money.

Retail banking is ripe for harvest as MFI loans charge high interest rates and stakeholders are looking for change.

Banking policies and regulations are highly conducive in Bangladesh, which should provide the right environment for banks to expand into rural consumers.



OPPORTUNITIES

Using savings groups to provide health insurance products.

Utilizing non-traditional instruments such as credit guarantee, soft loans and warehouse receipts can break open this stagnant market.

Unique subsidy approaches can cross-subsidize for the ultra poor at 0% financing.

Non-cash based alternatives: mobile based and agent/card based banking.

Moving up the chain with finance can provide additional opportunities.

How do we review the opportunities for Islamic financing? Is this is model that can break the rural risk barrier?

Financial literacy is critical to success of financial projects.



Building An Agenda for Market Transformation

**Exploring pathways to deliver more transformative
pathways to inclusive growth**

The Next Steps

The 2017 Market Transformation Workshop yielded a rich body of new insights and learning that can inform future aid initiatives to balance inclusion with growth for base of the pyramid people and their communities, while simultaneously informing even greater support from wider market and governance systems at the local, regional and national levels.

But #MTW2017 was only the first step; in order to facilitate lasting dialogue around the nine themes of market transformation, and move further in considering how to evolve market development thinking and practices with a focus on local knowledge and experience, the Market Transformation Workshop must continue as a wider initiative, comprised of activities and interactions that build on the workshop while exploring new opportunities.

Accordingly, over the course of 2017 the body of industry experts, thought leaders, and influencers that make up the Market Transformation initiative will be hard at work to deepen our collective

understanding of how to deliver transformative change, and find new opportunities for dialogue and collaboration on these issues through a number of activities and spaces.

- **Developing partnerships to mainstream market transformation ideas:**

National ownership and leadership to continue the conversations started in #MTW2017 is essential for its mainstreaming. Thus, the Market Transformation initiative will work closely with network partners (such as the Market Development Forum and others like it) to expand and validate initial learnings for dissemination to wider audiences.

- **Increasing the appetite for future discourses:**

The growing body of research, insights and stories gathered through the workshop and subsequent activities and partnerships will increasingly require routines and spaces to organize and disseminate these learnings to wider audiences working on

market development issues. To that end, the Market Transformation initiative (through its independent organizational initiatives) will explore appropriate forums through public and private partnerships.

- **#MTW2018:**

The most ambitious goal of this initiative is to explore a second national and regional experiential workshop in early 2018 through further partnership with appropriate stakeholders. Such a subsequent event will likely provide an opportunity to consolidate the learnings gathered and synthesized over 2017, identify new and emerging priority thematic areas for further investigation, and further communicate an agenda of market transformation to stakeholders across the public, private and development sectors.

Consultative Session

On 11 April 2017, the #MTW2017 organizing committee facilitated an engaging learning and discussion event at the residence of the Ambassador of the Kingdom of the Netherlands in Dhaka. Titled “Market Transformation: Exploring Pathways for More Inclusive Growth,” the reception-style event brought together key stakeholders from the public and private sectors for a review of the learnings from the #MTW2017 workshop and identification of important trends and considerations in increasing market transformation across Bangladesh.

Foremost, several attendees highlighted the importance in recognizing and addressing that while the agricultural sector remains the largest sector of the national economy, its growth rate is lagging behind other sectors and that acceleration of growth is needed. To many in attendance, “market transformation” in Bangladesh means increasing overall efficiency of the sector, while balancing priorities around gender and social inclusion so that these efficiency gains are experienced comprehensively for low-income demographic groups. One critical area of discussion focused on balancing inclusion of low-income farmers into the formal economy with managing the costs for private firms typically associated with this engagement. As noted by a

leading public sector official, “pure competition exists [in the agricultural sector for low-income farmers] – farmers face real competition wherein their costs are significantly variable rather than fixed,” increasing the risks associated with providing financing that is unlikely to generate a commercially feasible return given the small size of most BoP farmers. Another highlighted that gender biases that impede rural women’s ability to directly access loans independent of men places an additional burden on cost control/management for women entrepreneurs in rural areas, limiting the ability of public/private/civil society initiatives to achieve cost-effective impacts for women’s inclusion in formal markets. Participants emphasized that removing this barrier will require efforts to fundamentally change the mindsets not only staff within financial services providers, but also other firms and public sector personnel, in operationally feasible ways from top to bottom of the value chain.

Representatives from lead firms reiterated that “we want to go directly to farmers in our supply chains, but success isn’t universal” due to several persistent structural gaps. In particular, the need to rapidly increase the capabilities of rural markets on effective harvesting practices, post-harvest management, storage solutions and processing/

packaging for formal consumer markets was identified as a high priority. It was pointed out, however, by a government official that “farmers can be processors, but not at a large scale,” challenging the scalability of support activities in these areas and lending further credence to the need for rapidly increased expansion of formalized agribusinesses in rural areas as a catalyst for value chain upgrading.

In conclusion, attendees agreed that Bangladesh’s achievements to date have been remarkable, but that a genuine transformation of collective efforts to sustainably include BoP populations into the formalized economy will require a shift in priorities driven by new collaborative strategies. Participants agreed that looking forward, ensuring that BoP markets are transformed while the formal economy continues to grow must involve reassessment of the role of actors in each sector, and the building of relationships that enable each sector’s actors to contribute their unique expertise/capacity, while mitigating challenges and risks through other like-minded partners.

The Organizing Committee



Laurent Umans is First Secretary Food Security at the Embassy of the Kingdom of the Netherlands. He has a background in Biology, Anthropology, Forestry and Sociology. He worked for over 25 years in development cooperation as researcher, practitioner and donor. He has a long experience in participatory approaches, gender and development, indigenous knowledge systems, rights-based advocacy, programming and diplomacy. He is known as an 'out of the box' thinker. He recently completed his PhD on international cooperation in fluid and volatile situations.



Deepak Khadka brings over a decade plus technical and leadership experience in designing and implementing projects in Nepal focused on private sector market development, access to financial services for low income clients and a wide variety of agriculture value chain strengthening initiatives. As Country Director in Bangladesh, Deepak currently leads one of iDE's largest and most innovative programs, expanding iDE's work in WASH, nutrition, and gender-based programming. Prior to joining iDE, he worked in Nepal as the co-founder and CEO of a not-for-profit organization focused on improving the livelihoods of people living in the rural and remote hill areas. He has an MBA in Marketing from Kathmandu University, School of Management.



Emmanuel Sene is Senior Agriculture Specialist at the World Bank. He holds a PhD of Agronomy. His has background in Agronomy and Crop Sciences, and Agricultural Systems. He worked for 28 years in agriculture and rural development. He has a long experience in agricultural research, research-development and extension, farmer organizations, agricultural and food production, partnership and policy dialogue. He is acknowledged for his leadership, team work, problem solving approach result orientation, and good dialogue with partners.



Majeda Haq is the Programme Officer, Private Sector Development at the Embassy of Sweden. She completed her post-graduate studies in 'Economics and Management in Rural Development' from the University of Manchester, and graduate and post-graduate degrees from the Department of Economics of University of Dhaka. She possesses 26 years of working experience in dealing with Institution Building, Social Protection, SME Development, Private Sector Development, Micro Credit, Employability and Capacity Development with special focus on Empowerment and Rights-based Approaches. In personal life, she is deeply involved in promoting nature and bird conservation issues in Bangladesh.

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