



## Reducing vulnerability for the extreme poor in Bangladesh's chars: M4C's experience of applying market systems

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# Applying **Market Systems Approach** for **Vulnerability Reduction** of the **Extreme Poor Households** in Chars of Bangladesh: M4C Experience

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# Bangladesh at a Glance



**3rd** fastest growing economy in world in 2019  
(GDP growth rate **7%**)

Poverty rate down from **40%** (2006) to **23%** (2016)

GDP per capita up from **US\$ 615** (2008) to **US\$ 1,516** (2018)



# Bangladesh at a Glance

Nilphamari

Rangpur

Lalmonirhat

Jamalpur

Tangail

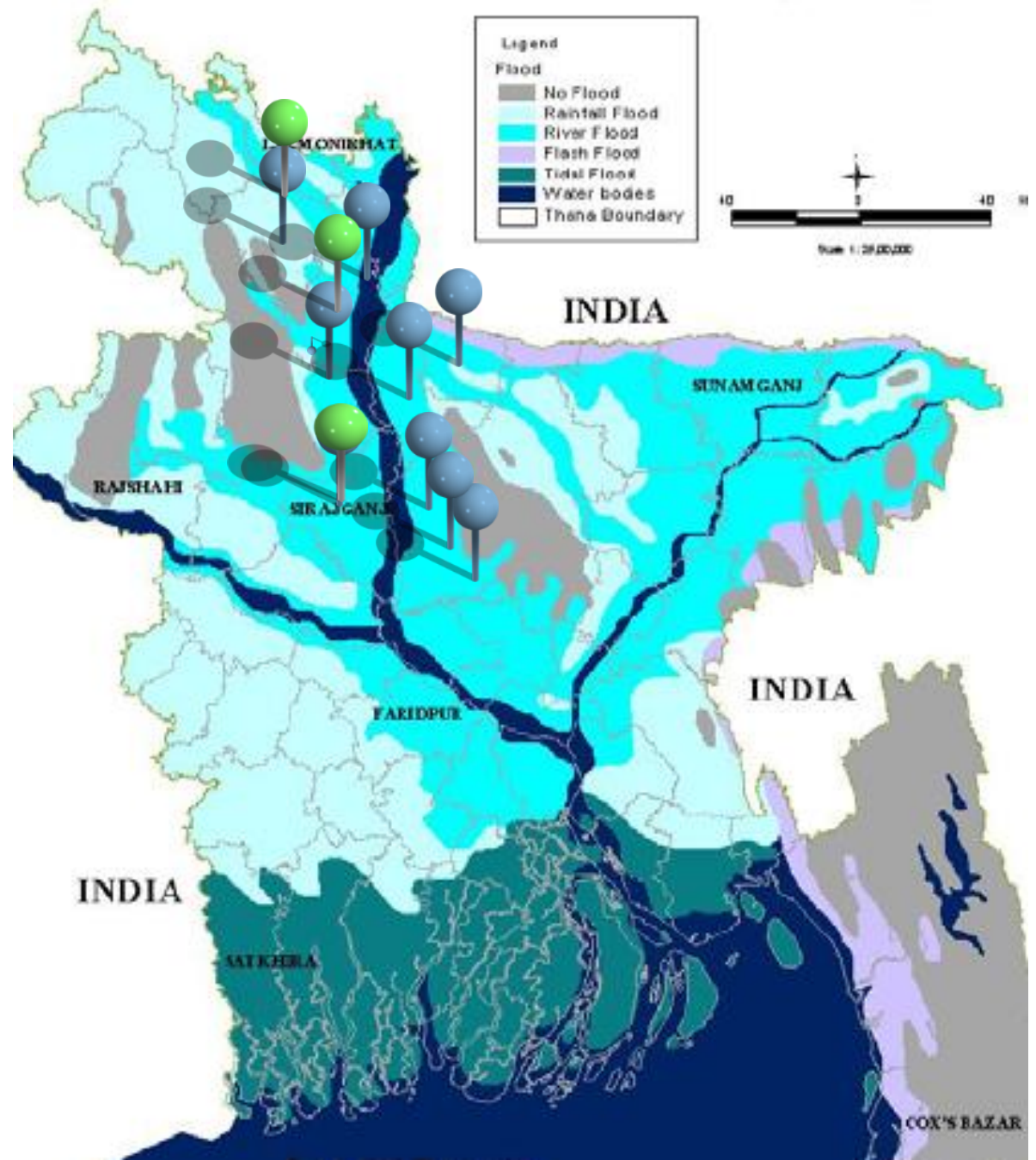
Bogra

Pabna

Gaibandha

Sirajganj

Kurigram



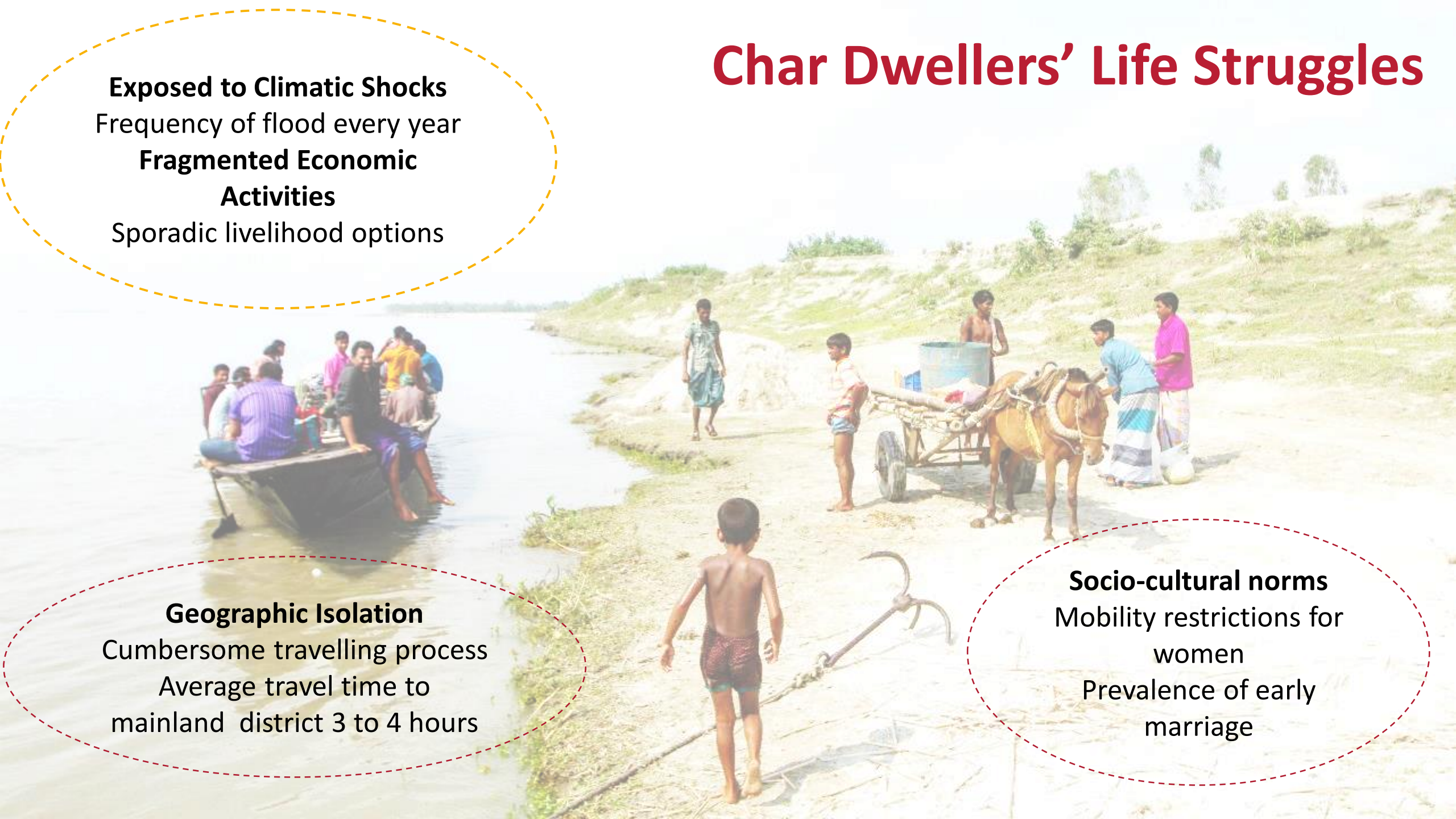


# Char Dwellers' Life Struggles

**Exposed to Climatic Shocks**  
Frequency of flood every year  
**Fragmented Economic Activities**  
Sporadic livelihood options

**Geographic Isolation**  
Cumbersome travelling process  
Average travel time to  
mainland district 3 to 4 hours

**Socio-cultural norms**  
Mobility restrictions for  
women  
Prevalence of early  
marriage







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*to reduce poverty and vulnerability of char households  
by facilitating market systems that enhance  
opportunities for income generation*



**Shift from asset-based livelihood support to market system development approach to complement the large livelihood programme in chars by DFID-funded CLP**

**Why SDC aims to create market system change in Chars?**



## **SDC mandate for inclusion and Hard-To-Reach areas**

- ✓ **Work with Poor and disadvantaged people, strong focus to women**
- ✓ **Work in Hard to reach (HTR) and vulnerable context and focus on DRR**



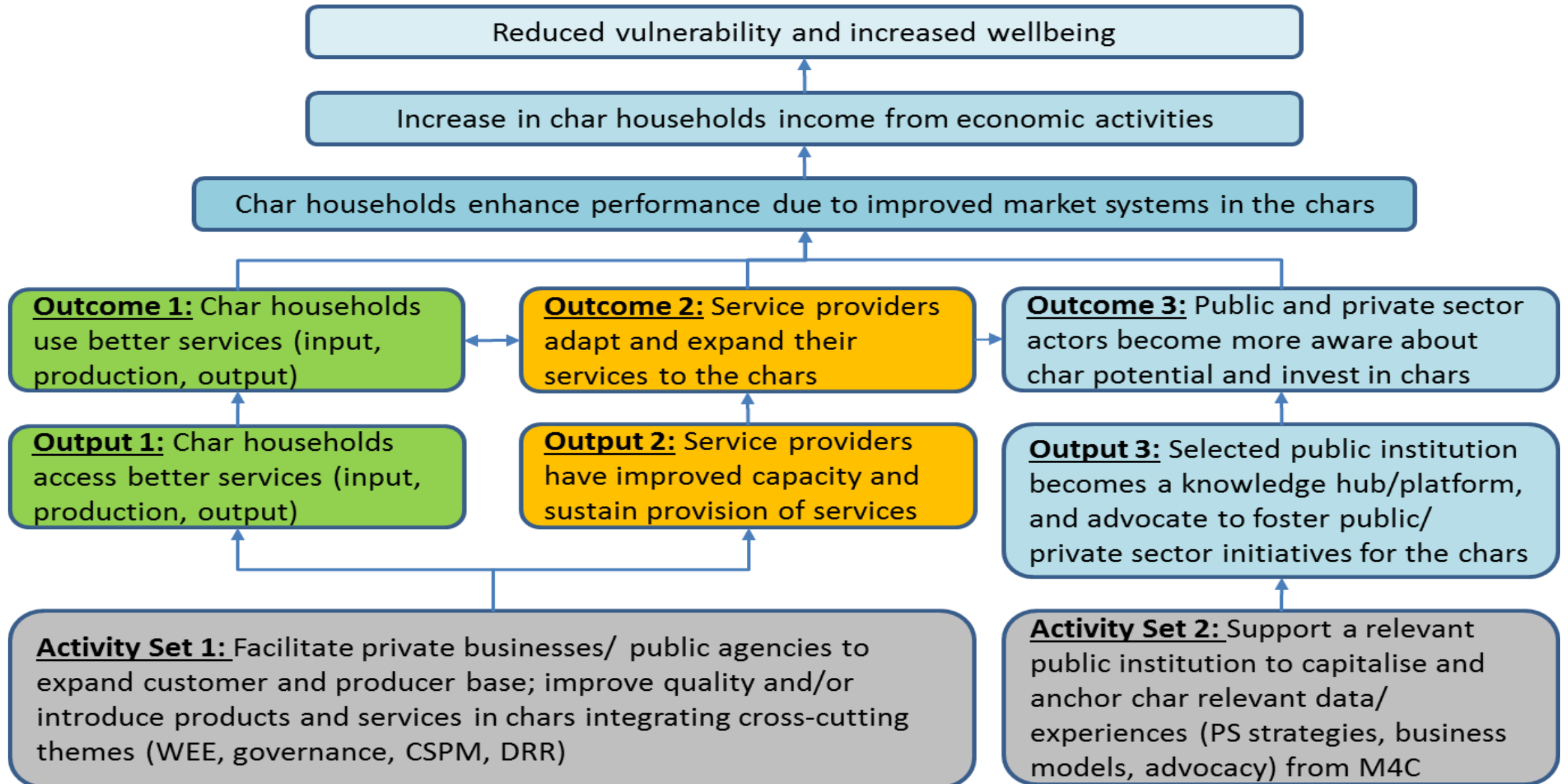
**SDC  
Mandate**

- ✓ Start with crop sector-based approach
- ✓ Continuous action research to improve intervention quality
- ✓ Adaptation of market dynamics - regrouped intervention strategy in selected systemic change areas in crop and livestock
- ✓ Partnership with private companies shifted from project-based promotional activities to more strategic institutional engagement

**SDC 'Flexibility'  
in managing  
implementation**



# About M4C: *Theory of Change*



# About this Presentation

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How the interventions has contributed to establish a seamless transition between continuous offerings and participation within the market actors in such a **vulnerable context**



The ways this **transition** has contributed to the **vulnerability reduction**



Development of **MSC4VR Framework** and validation through an empirical study



# About M4C: *How do we do it*

## Input

- Char producing households have access to and use better quality inputs and production practices for crops and livestock (primarily beef)

## Output

- Char producing households have improved linkages with output market actors and are able to produce quality products and sell at optimal price

## Finance

- Char producing households have access to appropriate financial services such as seasonal loan products to enable them to produce good quality crops and livestock





## Changes in Market System and Immediate Results

Additional income  
**16.4 Million** Swiss Franc

Benefitted **103,400** char households  
(comprising more than **579,040** women,  
men and children)

From June 2012- June 2018





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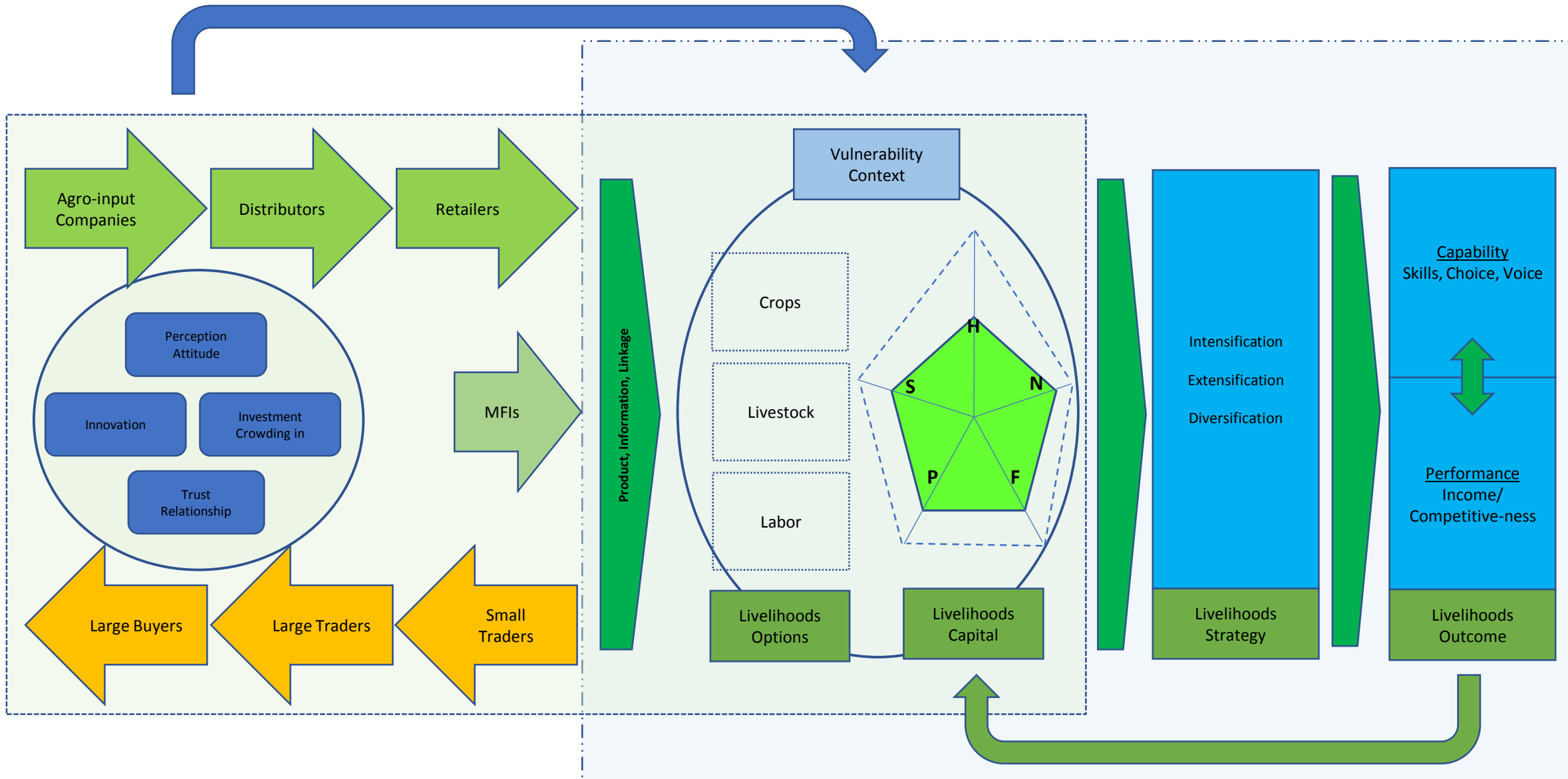
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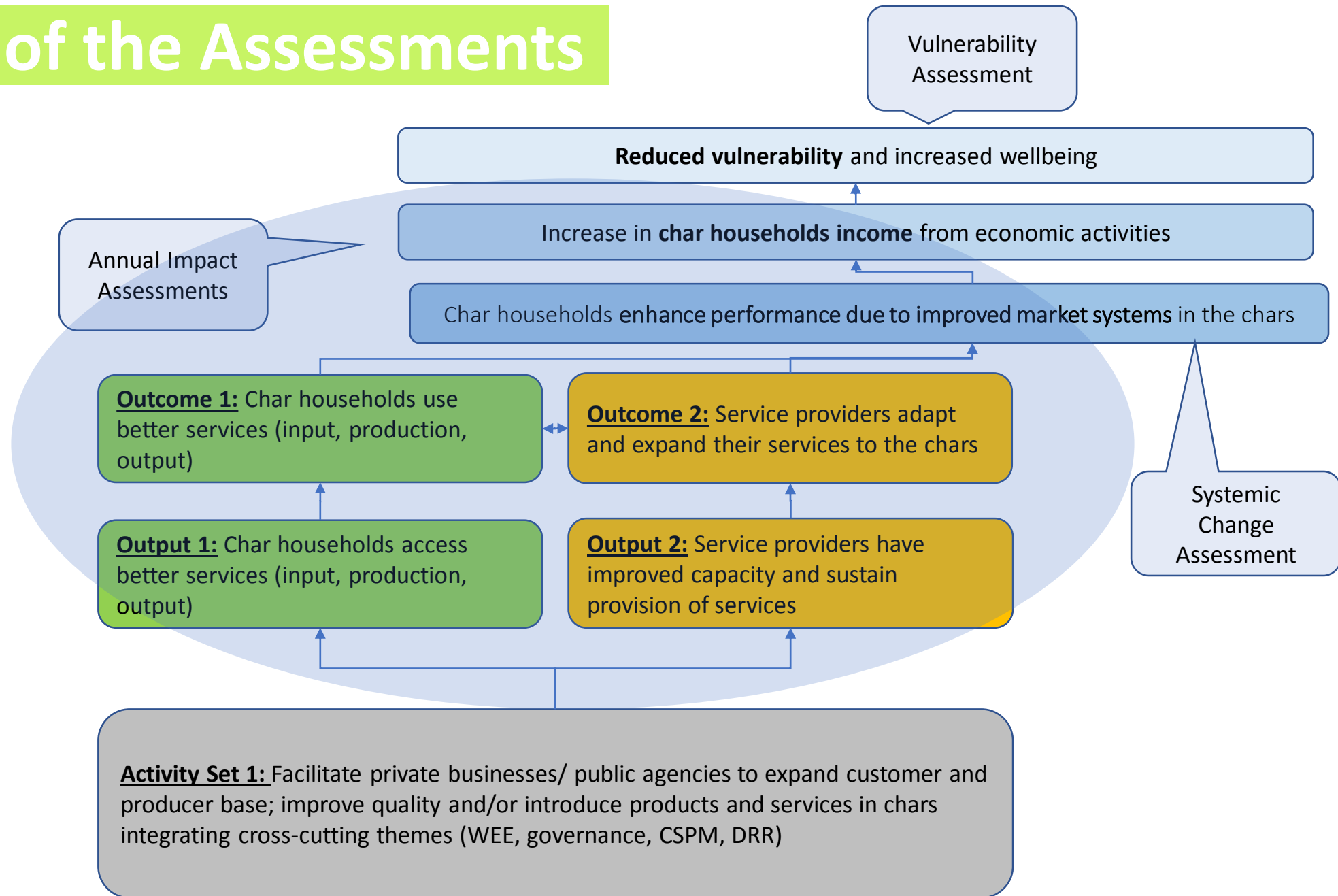
Do we have enough proof that this result  
(income increase) is contributing to vulnerability  
reduction?



# Vulnerability Reduction Framework



# Scope of the Assessments





# Study on role of Market Systems in reducing vulnerability on the Char: an assessment of M4C's contributions

## Phase 1

### Micro-ethnographic study

*To develop indicators of livelihood capital enhancement and market system changes*

Four Ethnographers lived in four selected chars communities for two weeks

## Phase 2

### Quantitative validation

*To gather evidence of livelihood capital enhancement*

Gathered information on 230 households with a population of 1189

## Phase 3

### Qualitative study

*To measure the magnitudes of systemic changes in char market system*

Gathered information through FGDs and KIIs from – stakeholders

# Study (Evidence of seamless transition: how did we measure it)

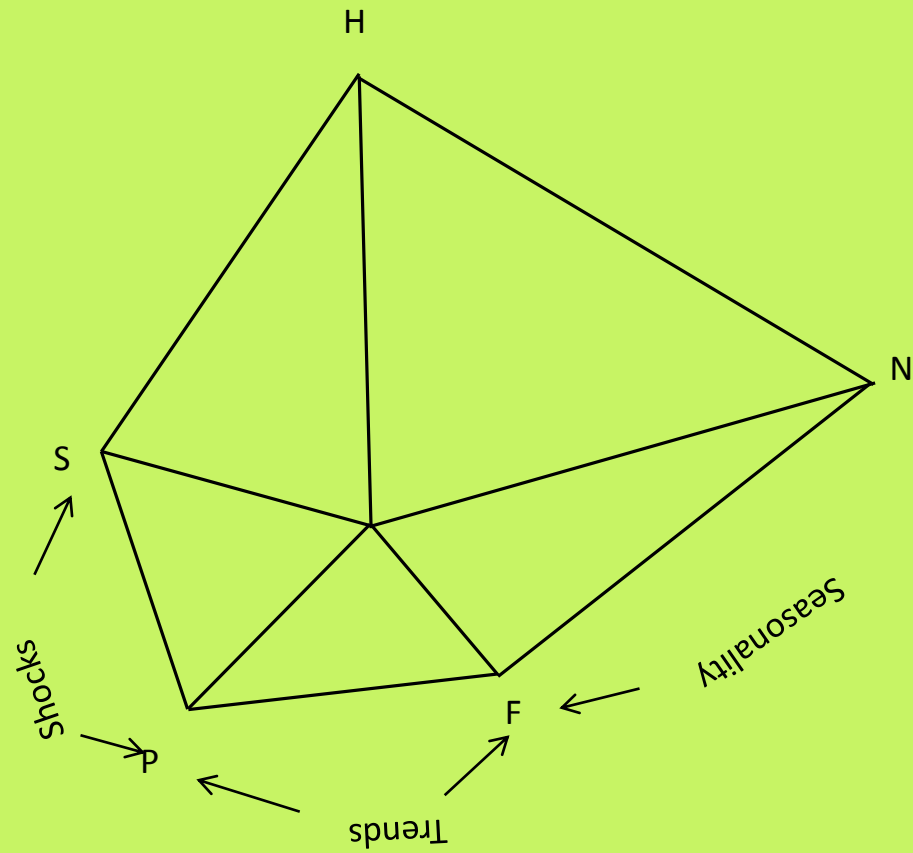
## Indicators of Livelihood Capital Enhancement



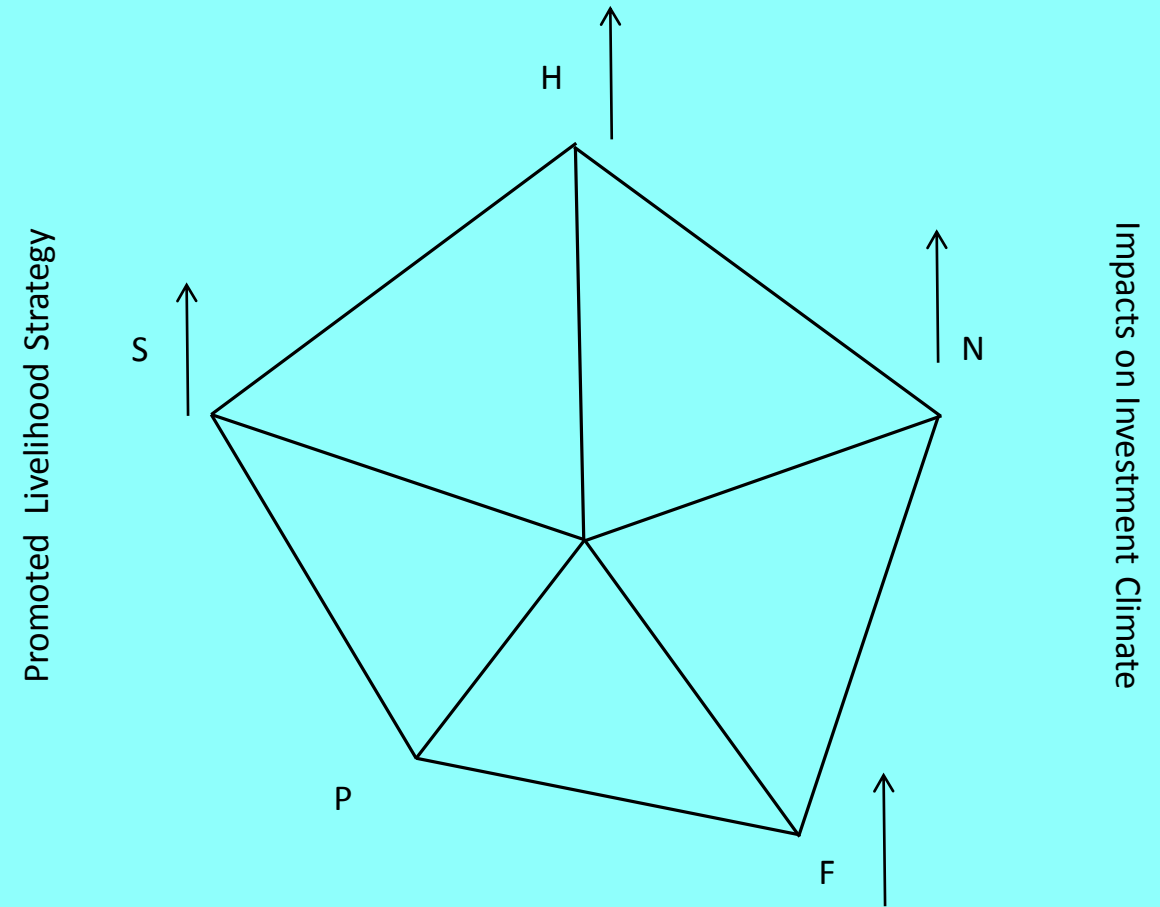
## Major Indicators of Changes in the Investment Climate



# Study Findings: Evidence of seamless transition



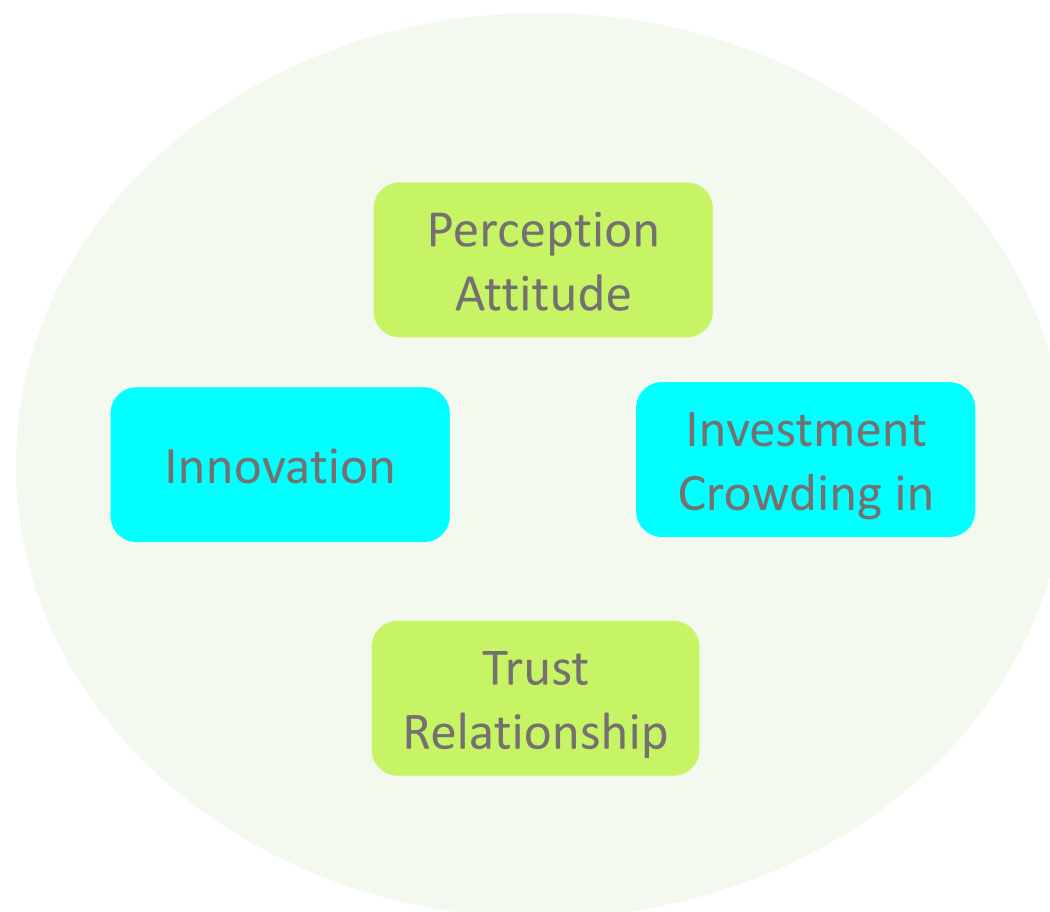
Before



After



# Study Findings: Evidence of Systemic Change



Before

Perceiving chars to be loss making



Actively exploring opportunities for business expansion

Highly transactional relationships



Value-additive relationship

Considering trading business as a secondary business



Emergence of large traders with linkage to millers

Targeting merchants with fixed stores



Opportunities arising for investment and business expansion i.e. seasonal loan

Few workshops focused on assembling agro-machineries



Increasing invest in assembling machines

After

Evidence of Systemic Change: Shifting Attitude

Actors	2012	2018
Input Retailer	72	502
Num of Distributorships	17	98
Num of Shelling Service Providers	1	77
Num of Drying Service Providers	4	43
Num of Storage Service Providers	0	19



# Lessons for future design

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Evidence **challenges the conventional notion** that extremely vulnerable people can only be mere recipients of assets and technical support. Rather they can also be **economically self-reliant** with right enabling environment induced by **changes in the market system**.



While addressing challenging contexts and extreme poor population through **Market System Development** approach, **rigidity to market system principles** should be avoided. **Flexibility in intervention** designing leads to high **reduction of vulnerability**.



Q&A





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