

> **Effective collaboration with the private sector**

A BEAM Exchange webinar

15 April 2015, 1pm BST



> The webinar

- Introduction - Ashley Aarons, BEAM Exchange
- Key topics from SDC E&I Online Discussion - Daniel Roduner, AGRIDEA
- Improving Farm Inputs Retail Strategies - Susan Maina, Kenya Markets Assistance Programme
- HUB 387: Creating IT Employment In BiH - Andrew Wilson, MarketMakers
- Questions and Answers – participant questions





Effective Collaboration with the Private Sector

***– 4 key topics from an online
discussion***



- Scale and outreach => leverage
- Sustainability

Why do we work with the Private Sector?

- Potential for leverage
- Common interests
- Due diligence

Finding the **right partner**



What **capacities** are needed?

- Personal skills (business understanding)
- Procedures (flexibility)

How to deal with external market **distortions?**

- Play along!
- Create awareness
 - Move to other markets





**Kenya
Markets
Trust**

Better markets, Better lives

Improving Farm Inputs Retail Strategies


Programme: Market Assistance Programme (MAP)

Location: Kenya

Presenter: Susan Maina

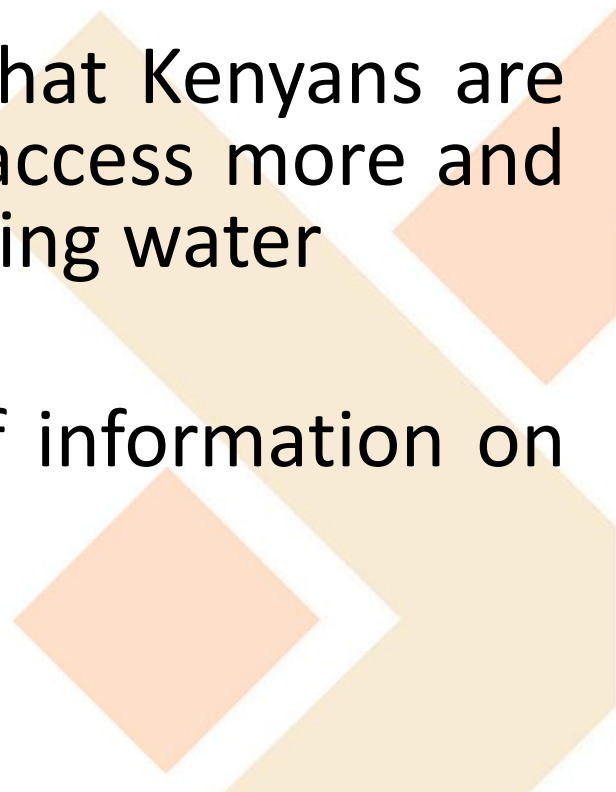
Presentation Content



- ⦿ KMT's objectives
 - ⦿ Smallholder usage of farm inputs
 - ⦿ Constraints in the sector
 - ⦿ Our strategic framework
 - ⦿ Selecting market actors
 - ⦿ Our facilitation approach
- 

Kenya Markets Trust: Our Key Mandate



- To make Kenya's agricultural inputs, dairy, livestock and water sectors work better
 - To transform these sectors so that Kenyans are more food secure, earn more, access more and better jobs, and have safer drinking water
 - To be Kenya's leading source of information on markets development
- 


Kenyan smallholders' usage of agricultural inputs

- Kenyan smallholders' usage of fertiliser, improved seed and pesticide is low
- Smallholder farmers often apply these inputs incorrectly
- Few purchase services such as soil testing or professional crop spraying which could boost yields

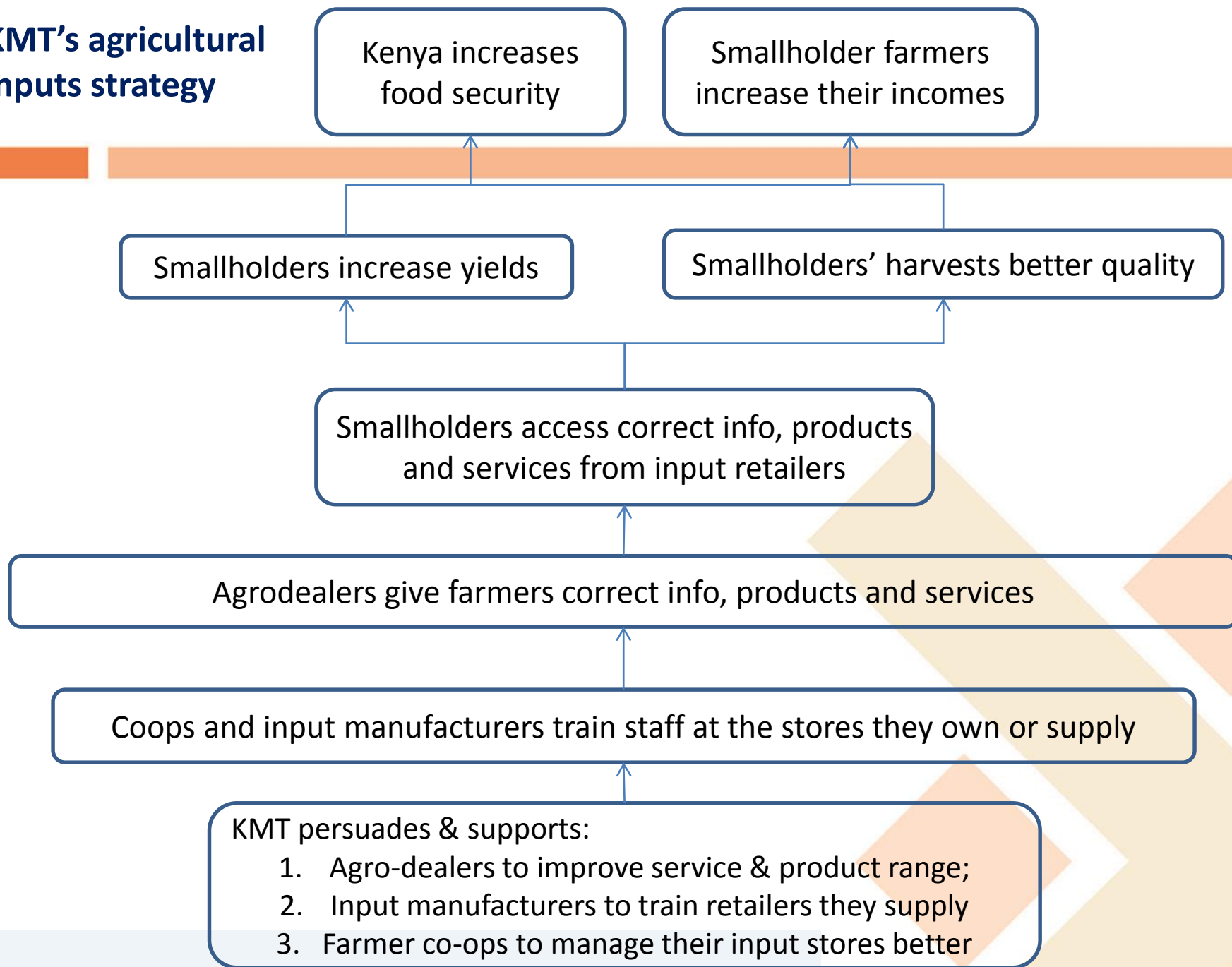


What is stopping Kenya's agro-inputs market from working better?



- ⦿ Ineffective outreach and poor customer relations
 - ⦿ Limited bundling of information and support with sales
 - ⦿ Limited innovation in service provision
 - ⦿ Increased likelihood of predatory sales tactics
- 

KMT's agricultural inputs strategy



Improved Retail Strategies - what partner agrodealers are doing

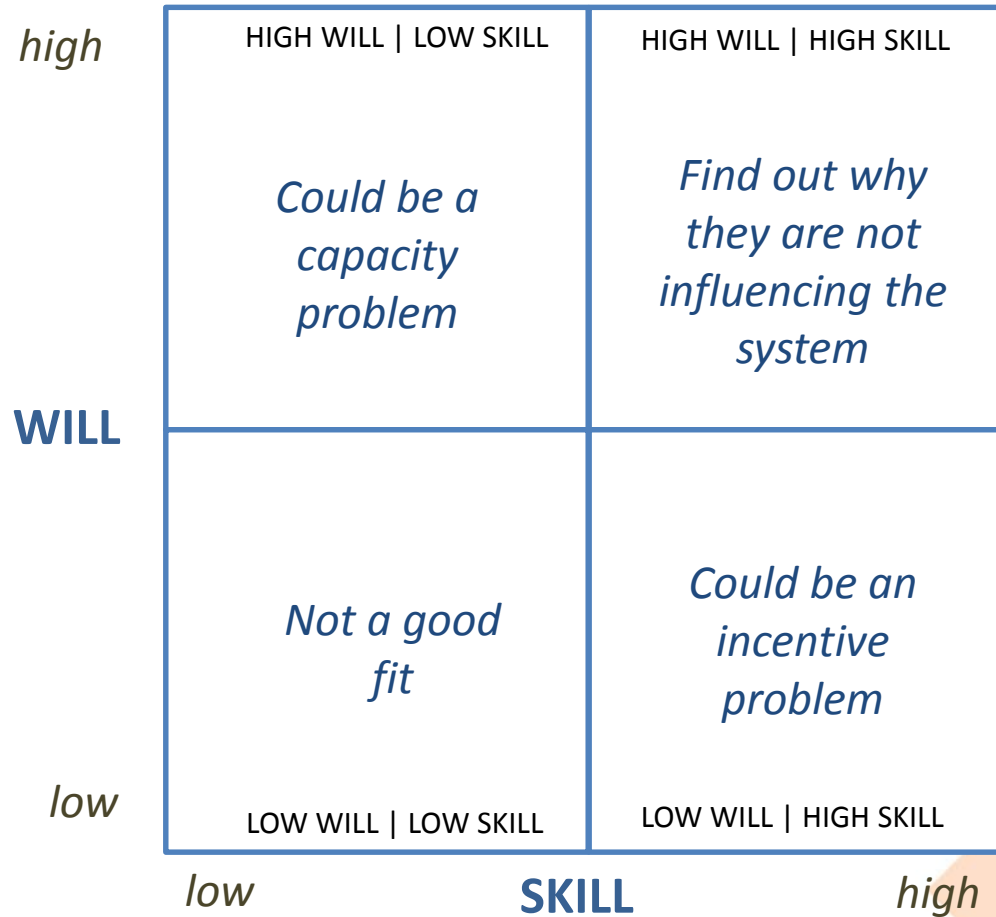
Retail Tactics

Improving internal business management practices
(inventory, customer services)

Improving marketing, promotion & distribution strategies
(village agents, shop remodelling, demo plots, loyalty clubs)

Increasing sales through bundled services
(spraying services, soil testing)

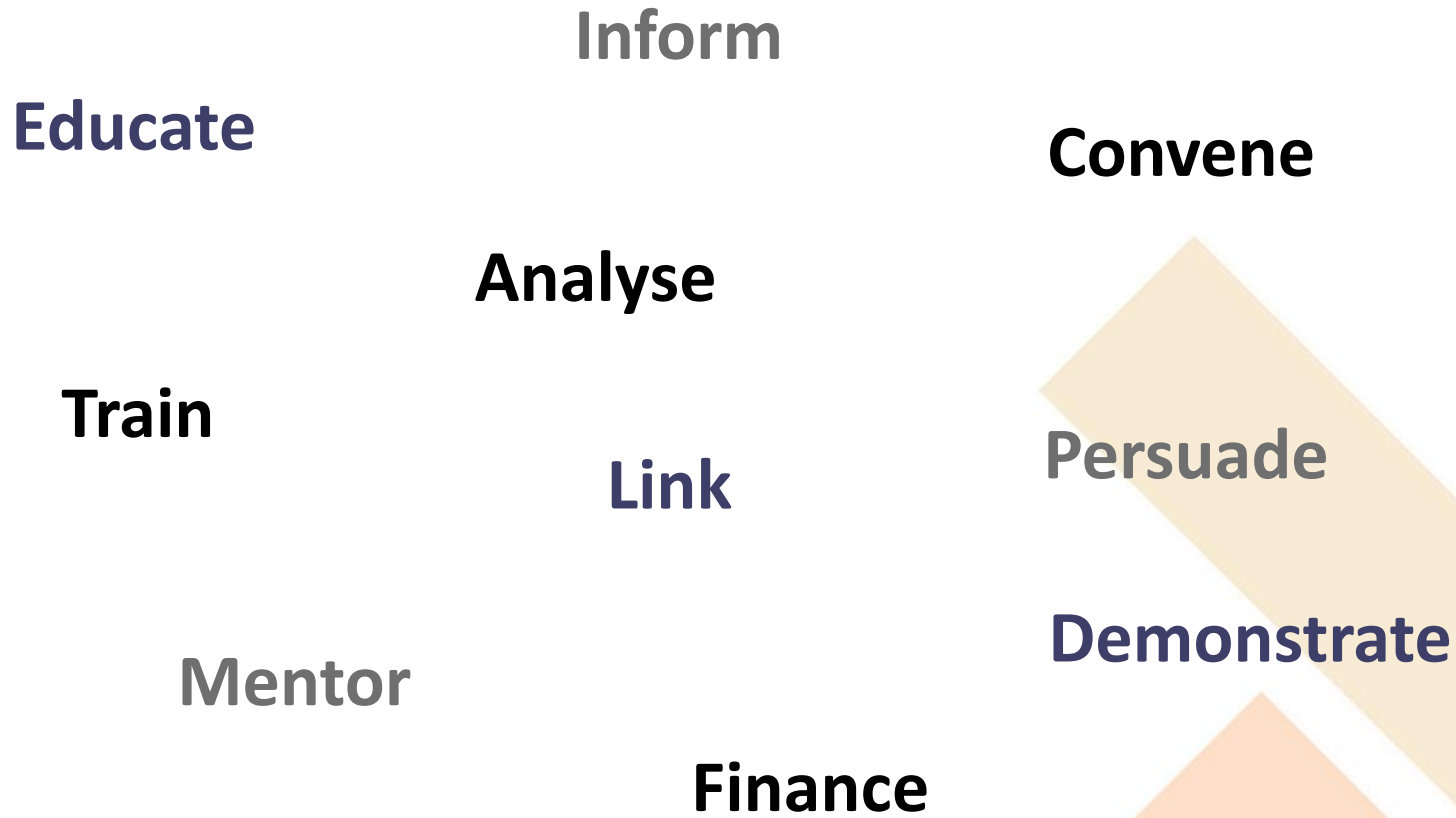
Selecting Market Actors



How KMT tailors its support to agro- inputs businesses

<i>high</i>	<i>Build ability to operate outside current comfort zone</i>	<i>Work beyond partner to address external obstacles</i>
WILL	<i>Not a good fit</i>	<i>Reduce incremental risk associated with change</i>
<i>low</i>		
	<i>low</i>	<i>high</i>
	SKILL	

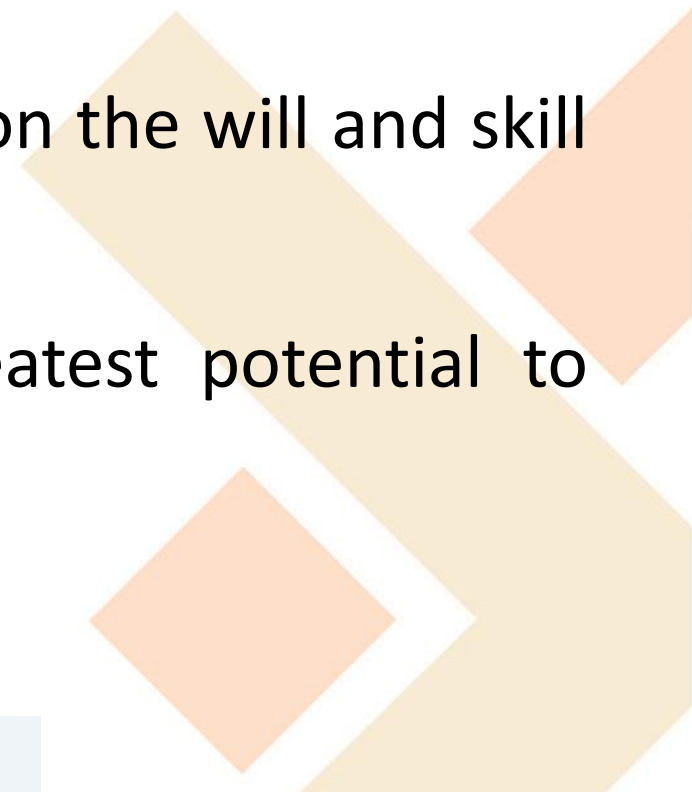

How KMT supports businesses



Why our approach is different



Our process:

1. We visit a range of businesses in the sector KMT wants engage in
 2. We narrow them down based on the will and skill matrix
 3. We invite those with the greatest potential to submit proposals
- 
- 

KMT's offer & changes in cost share over time

INITIAL OFFER 2012

WHAT: 75-80% cost shared by KMT for a bundle of activities

WHOM: Agrodealers with high will/low skill

LINKAGES: 3 service firms in soil testing inventory mgmnt , SMS

ADJUSTED OFFER 2013

WHAT: Same bundle. Average cost share was 50% for new entrants

WHOM: Same profile of agrodealers

LINKAGES: Same as 2012 but added ICT

SELF-SELECT BEFORE OFFER (ongoing)

WHAT: Multiple offers/different bundles, cost sharing range from 0 - 50%

WHOM: Inputs manufacturers, large scale agrodealers and service providers

LINKAGES: additional ICT & finance

KMT is funded by the following donors :



Email: info@kenyamarkets.org

Website: www.kenyamarkets.org

Implemented on behalf of the Government of Switzerland by:



HELVETAS
Swiss Intercooperation



Schweizerische Eidgenossenschaft
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HUB 387: Creating IT Employment In BiH



Andrew Wilson
Project Manager
MarketMakers Project
Bosnia and Herzegovina

- **4,576,400 CHF**
- **4 years in first phase**
- **Implementation began mid-2013**

A close-up photograph of several smooth, rounded, grey stones of various sizes, arranged in a natural, overlapping pattern. The lighting is soft, highlighting the textures and shadows between the stones.

**THE PROGRAMME'S AMBITION
IS TO ACHIEVE LARGE-SCALE SUSTAINABLE
CHANGE AND NATIONAL OUTREACH**

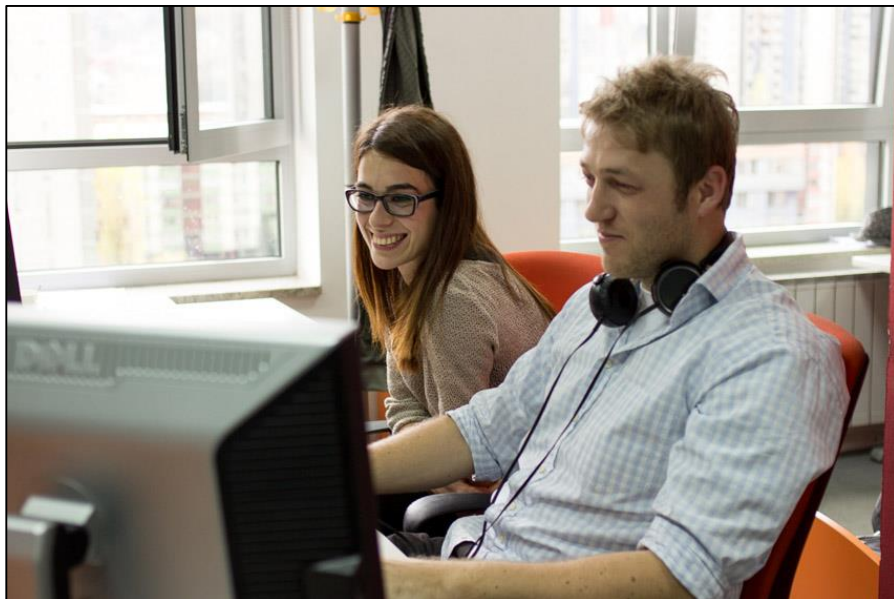
- **Regional development agencies co-facilitate to expand outreach**
- **Work in tourism, food processing and IT sectors**

- Skills gap leaves positions unfilled
- Brain drain to EU/USA
- Limited awareness of BiH internationally
- Difficult business environment



BUT

- Quality jobs, attractive to young people
- Established outsourcing links
- High human capital, low financial capital



Our IT interventions:



Improving IT education and the business environment through BIT Alliance



IT investment promotion and facilitation with AmCham BiH



Creating IT hubs, starting with HUB 387 in Sarajevo

- **Critical mass for innovation**
- **Ignite entrepreneurial spirit**



- **Stimulate fast transfer of knowledge**
- **Reduce brain drain by skilled workers**
- **Create a supportive IT ecosystem**

S U P P O R T



- **Focus on technical support for start of hub**
- **Limited financial support as an incentive for companies, totals 50,000 EUR**
- **Staff time more important than financial investment**
- **Media coverage important for crowding in**
- **Project facilitates crowding in by making introductions,**
- **Cash cost of crowding about 3000 EUR so far**



- **4,850,000 CHF of private investment announced for 2014-2015**
- **142 quality jobs created in 2014, forecasting 300/year 2015-2017**
- **Industry-led private training doubling output of students each year**
- **A network of new IT hubs in BiH and throughout the region**



CAZIN

SERB REP. OF

BANJA LUKA

TUZLA

SARAJEVO

MOSTAR

BOSNIA AND H.

- National Capital (380,000 in 2003)
- over 150,000
- over 100,000
- over 50,000
- other main city



ZAGREB

BELGRADE

PRISTINA

TIRANA



**A leader with a vision is
the start of everything**



**Moving first-movers up the value
chain leaves space for crowding
in**



**Projects must take measured
risks, just like businesses do**



MarketMakers

www.marketmakers.ba

HUB 387

www.hub387.com

NEST 71

www.nest71.com

ACADEMY 387

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> Questions and Answers



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> Resources

- Webinar survey: <http://www.beamexchange.org/en/webinarsurvey>
- Guidance on intervention implementation: <http://www.beamexchange.org/en/guidance/intervention/>
- E&I documents: <http://www.beamexchange.org/en/privatesectorwebinar>
- ICT hubs in Bosnia and Herzegovina: www.hub387.com, www.academy387.com and www.nest71.com



> Further Information



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**Swiss Agency for Development
and Cooperation SDC**

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