

Tailored support to sustain Char Business Centres

Findings from two assessments

Summary:

A central component of CLP's market development strategy was to foster the development of two institutions 1) business groups, and 2) Char Business Centres (CBCs). The latter were committees whose members include milk, meat and/or fodder producers, input service providers and buyers. 70 CBCs were established.

In 2014 the Markets and Livelihoods Unit commissioned a study to assess what level of support was required from CLP to increase the likelihood the CBCs would continue operating after the end of CLP.

This assessment resulted in each CBC receiving a grade (A, B or C; A being the best) based on the number of performance indicators they scored, out of 100 (20 weighted indicators). Based on the findings, tailored support was provided to each CBC to strengthen their performance and chances of sustaining.

A follow-up survey was conducted 12 months later (in 2015) using the same survey instruments.

- The number of CBCs with grade A increased from 9 at baseline to 56 in the follow-up.
- The number of CBCs with grade B decreased from 43 to 14
- The number of CBCs with grade C decreased from 18 at baseline to 0

A survey of CBC members and non-members found high levels of satisfaction with the CBC in their community. The Business Centres are providing a wide range of services that are clearly in demand but in short supply on the chars.

Background

The Market Development component of the Chars Livelihoods Programme (CLP) applied the Making Markets work for the Poor (M4P) approach to facilitate change in three livestock-related market systems: milk, beef and fodder.

A central component of CLP's market development strategy was to foster the development of two institutions 1) business groups, and 2) Char Business Centres (CBCs).

Business groups operate at the village level and are made up of producers from a single sector. Business group members meet regularly to learn from each other, solve common problems and increase bargaining power with other market actors, such as buyers.

CBCs are committees whose members include milk, meat and/or fodder producers from the business groups, input service providers and buyers. 70 CBCs were established.

It was envisaged that CBCs would:

- Facilitate the development of new relationships between different market actors
- Promote dissemination of information about improved production practices
- Promote sharing of market information, such as buyer requirements



- Plan business activities together to ensure production meets market requirements
- Solve problems which affect all actors, such as improving the efficiency of char-to-mainland supply chains
- Work together to attract investment from larger businesses



The hope was that the CBCs would continue operating after the end of CLP support in February 2016. In 2014 the Markets and Livelihoods Unit (MLU) commissioned a study to assess what level of support was required from CLP to increase the likelihood the CBCs would continue operating post CLP.

The assessment process analysed five major aspects of CBC sustainability including institutional, economic, technological, ecological and social dimensions. Each CBC was graded, A to C (A being the best grade).

Based on the findings of the assessment MLU offered a range of support to each Business Centre to promote performance and increase chances they would sustain. The level and type of support varied by Business Centre, depending on their particular needs.

MLU conducted a follow-up assessment twelve months later to see whether CBC grades had improved. This brief summarises the key findings from the 2015 follow-up survey report.

Methodology

All 70 CBCs were assessed in the initial (baseline) survey that was conducted in 2014. In the 2015 follow-up survey all 70 CBCs were again assessed. The same questionnaire was applied to ensure the results from both surveys would be comparable.

Based on the interviews, each CBC was graded against a set of 20 weighted indicators that were grouped under the following domains:

- Willingness
- Institution
- Ecological
- Social
- Economic

A total of 100 points was available. Each CBC was graded A to C based on the following scores:

| Points | Grade |
|--------|-------|
| 90-100 | A |
| 71-89 | B |
| 0-70 | C |

Focus group discussions (6) provided additional information. The follow up survey also sought information on 'customer satisfaction' of members as well as non-members. A total of 210 respondents were interviewed.



Results

CBC grading

Figure 1: CBC grading during baseline and follow-up survey

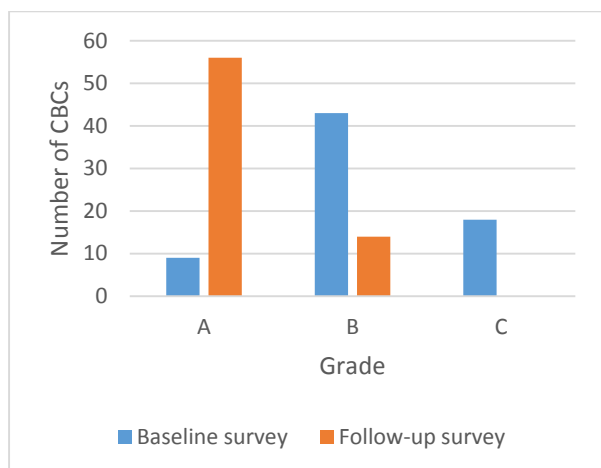


Figure 1 clearly shows improvements in the grades achieved by CBCs between the two surveys. The number of CBCs achieving grade 'A' increased from 9 to 56 between the baseline and follow-up survey. 18 CBCs were graded 'C' at baseline whilst 0 CBCs were awarded this grade in the follow-up survey.

In total 36 CBCs moved from grade 'B' to grade 'A' between surveys whilst, 13 moved from 'C' to 'A'. 5 moved from grade 'C' to grade 'B'.

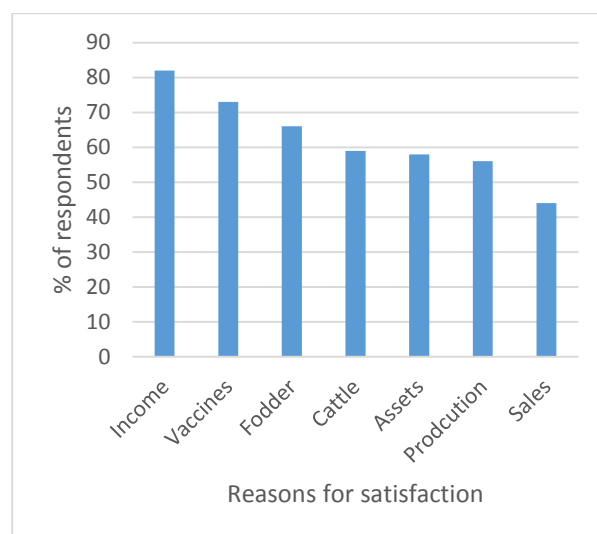
Improvements in the grades of CBCs between baseline and the follow up study was the result of tailored support to each Business Centre. This included:

- Facilitated strategic planning sessions so the CBCs could develop plans and strategies.
- Strengthening CBC financial management
- Improving the business management skills of CBC members
- Supporting the CBC to network with market actors

Levels of satisfaction with the CBC

210 char residents (41% female) were interviewed to understand their level of satisfaction with the CBC in their community. 37% of the respondents were members of the CBC.

Figure 2: Reasons for satisfaction with the CBC



94% reported they were satisfied with the CBC in their community, the main reasons were because it had contributed to increases in their incomes and provided access to vaccines (Figure 2).



Figure 3: CBC services Used by respondents

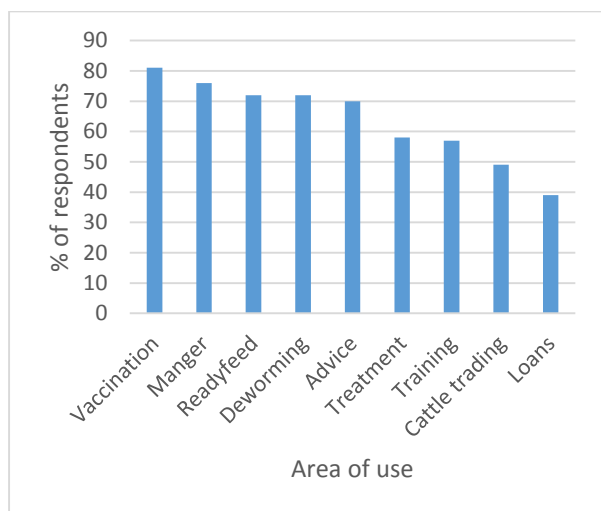


Figure 3 shows the services that respondents received from their CBC. They are offering a wide range of important services related to livestock husbandry which are being used by high proportions of livestock producers.

Respondents were asked to reflect on how the CBC had impacted their livestock businesses. 89% reported the CBC had contributed to an increase in their income.

CBC strengths, weaknesses, opportunities and challenges

Respondents were asked to comment on the strengths, weaknesses, opportunities and challenges of the CBCs. These included the following:

| | |
|------------------|--|
| Strengths | <ul style="list-style-type: none"> • Savings accumulated since inception makes the CBCs financially strong. • Because CBCs have savings, some are offering loans. • CBCs have a physical location where members meet. |
|------------------|--|

| | |
|-------------------|--|
| Weaknesses | <ul style="list-style-type: none"> • Whilst 28 CBCs have been registered 28 have not and 14 applications are pending. • The demand for loans outstrips the ability of CBCs to offer them. |
| Opp's | <ul style="list-style-type: none"> • Opportunities exist for some CBCs to establish cattle markets from which they can earn commission. • There is scope to invest in the supply of cattle feed as demand increases. |
| Challenges | <ul style="list-style-type: none"> • Awareness raising campaigns require time, effort and funds. • Maintaining linkages with private sector actors. |

Conclusions

Based on the grading system used in the baseline and follow up surveys, the performance and the likelihood of CBC sustainability improved. A significant contributing factor was the tailored support provided by CLP.

Compared to baseline, almost all CBCs are generating funds and have linkages with private sector actors. More CBCs have also been registered or are in the process of registration. These are all important factors that will contribute to sustainable Business Centres.

The range of services offered by CBCs is wide and fills gaps in the market. This contributes to a high (94% of respondents) level of customer satisfaction.

This brief was prepared in April 2016.