A central component of the market development strategy is to foster the development of two institutions - business groups and Char Business Centres (CBCs).

**Business groups**

Business groups operate at village level and are made up of producers from a single sector (milk, meat or fodder). Business group members meet regularly to learn from each other, solve common problems and increase bargaining power with other market actors, such as buyers. Typically, there are 2 per char and they contain 25 members. In total, 312 business groups have now been formed.

**Char Business Centres (CBCs)**

Char Business Centres (CBCs) are committees whose members include:

- Milk, meat and/or fodder producers from the business groups
- Input service providers
- Buyers

Typically, there is one CBC per char, the CBC has 10-20 members and they meet at least once per month. In total, 70 CBCs have now been established.

**Purpose of the CBCs**

The high level objective of the CBCs is to provide a functional institution where different market actors can interact for mutual benefit.
More specifically, 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

**Project activities to develop the CBCs**

The programme has carried out a variety of activities to promote the development of the CBCs, including:

- Facilitating the process of committee formation
- Committee member capacity building training, which covered: leadership, networking and negotiation skills, joint decision-making, roles and responsibilities
- Market literacy workshops
- Linkage meetings with other private sector actors

**Workshop to promote sustainability of CBCs**

On 9th June 2014, a workshop was held to review and improve the strategy for making CBCs sustainable. Staff from milk, meat and fodder market development projects participated in the workshop, which included presentations, group analysis and planning activities. The points listed below present the key conclusions made during the day and afterwards through additional input from a consultant.

**Workshop conclusions**

**What does sustainability mean for CBCs?**

During the workshop, participants discussed the fact that sustainability can mean different things for different institutions. As such, it was agreed that it is crucial to decide what sustainability means in the case of CBCs, prior to formulating a strategy to promote sustainability. As a result, the following definition of sustainability of the CBCs was agreed:

Sustainability means that CBCs: ‘Continue impactful business operation for Char market development by adding value to its stakeholders without any external support, particularly funding, even after phasing out of CLP.’

The key components of sustainability which this definition highlights are that:

- CBCs **continue operations**
- CBCs **continue adding value**
- CBCs can do the above **without external support**, after CLP ends

**What makes CBCs sustainable?**

It was also agreed that, in order to plan effective interventions to promote sustainability, it is first necessary to identify what makes CBCs sustainable. Many drivers of CBC sustainability were identified during the workshop. The most significant of these are detailed below:

‘**Mind-set**’ (vision, attitudes and motivation)

CBC members must want the group to continue functioning and be willing to put effort in to achieve this. These positive attitudes and motivations are often driven by a clear vision of what the CBC will achieve and the benefits that these achievements will generate.

**Organisational management and self-governance**

CBCs must have the capacity to manage themselves and their own development. This includes the capacity to identify human resource requirements and assign roles; the capacity to set rules and to enforce them; and the capacity to develop effective operational procedures.

**Business-management capacity**

CBCs must be able to identify market opportunities and to plan and manage business activities in order to access these opportunities.

**Funding**

To operate, CBCs require funds to pay for costs such as infrastructure, transport and meetings. As
CBCs grow and develop, they require increasing amounts of funding.

**What strategy should be used to promote sustainability of CBCs?**

Through the workshop activities and subsequent work by the consultant, a strategy was formulated for promoting the sustainability of CBCs. The strategic priorities, together with a process for designing activities to achieve these priorities, are detailed below.

**Strategic priorities**

*Develop individualised CBC strategic plans*

At present, none of the CBCs has made a strategic plan for its future development. This was identified as a crucial step to ensure that CBC members have thought through and agreed upon what they want to achieve and how they will achieve it. At a minimum, this will include planning:

- Short and long term vision and objectives
- Organisational structure, roles, constitution, codes of conduct and operational procedures
- Human resource requirements
- Infrastructure requirements

*Developing business management skills*

The sustainability of the CBCs is dependent on the business success they generate for members and key stakeholders. In turn this success is dependent on the development of business skills by the CBC members. Developing skills in the following areas was identified as a particular priority:

- Identifying service needs of stakeholders
- Deal-making with private sector actors
- Facilitating access to finance
- Development and operation of ‘market hubs’ (eg. collection points)

*Developing revenue generation, planning and management skills*

Revenue generation is essential to the sustainability of the CBCs. Sound planning, documentation and management of revenues is also crucial. With this in mind, developing the skills below was identified as crucial:

- Identifying key cost types
- Producing revenue generation plans
- Book-keeping and accounting
- Financial analysis and planning

**Process for designing activities**

*CBC assessment*

There are significant differences between the 70 CBCs which have been created so far. They vary in age between 6-18 months, they have different opportunities open to them and different internal strengths and weaknesses when attempting to access these opportunities. With this in mind, it is envisaged that it will be necessary to carry out an assessment of each CBC, particularly its capacities, in order to plan activities to promote development and sustainability.

*Tailored design of interventions*

Activities will be designed to develop the priority needs of the groups. The activities planned will fall broadly within the strategic priorities mentioned in the section above, but will be tailored to meet the needs identified by the CBC assessment.

These interventions will not be tailored to exactly meet the needs of each individual CBC. Rather, grouping of CBC needs and corresponding support activities will be necessary. The most probable of these groupings is the design of support activities tailored to CBCs at different stages of development. For example, the first 18 months of development could be divided into three stages, each six months in duration: 1. Initiation and start-up, 2. Establishment and maturity, 3. Expansion and sustainability. Different support activities could then be planned for groups at each of these stages.

**Key learnings**

- Clear definitions of sustainability, together with analysis of what drives it, help guide design of interventions to promote sustainability
- Building capacity is key to promoting sustainability
- Tailor interventions to needs, but try to group needs and corresponding interventions