

Assisting the Poor to Access Markets

- ▶ The East Africa Tea Standards Project, designed to ensure the new British Retail Consortium Global Standard – Foods and Hazard Analysis Critical Control Point (HACCP) does not become a barrier to market for smaller tea suppliers in East Africa. The project implemented HACCP in seven direct tea supplier organisations and trained three local inspectors. It also helps to secure and stabilise the tea market for approximately 40,000 smallholder tea producers.

Bosnia Cluster Competitiveness Activity and FIRMA USAID

After four years of implementing USAID's US\$16 million CCA project, Cardno was selected last year to carry out the FIRMA project – which is designed to consolidate the gains made under CCA and ensure that sustainable benefits reach the poor. Both projects focused on wood processing, forestry and tourism sectors – all of which are labour-intensive and command the participation of large numbers of relatively poor households. Cardno facilitated joint activities in several areas, including information-dissemination and training, lobbying to improve the legal and regulatory environment for doing



business, and joint operations to share resources and costs. Cardno also launched a US\$1.5 million procurement facility and a grant fund.

The project's final report attributed at least US\$175 million in sales growth in the target sectors to Cardno's efforts. The project created 4,000 jobs and sustained 12,000 more. It resulted in the creation of a national Wood Cluster Association and a Tourism Working Group as well as six regional BMOs. Cardno facilitated US\$31 million in commercial business finance to SMEs in the wood, tourism, and agriculture sectors through a USAID-backed loan guarantee program. Improved access to finance as well as greater coordination and use of BDS helped increase exports in the wood processing sector by 140%, with value-added products (as opposed to raw materials) increasing tripling in value over the life of the project.

Market Development Facility (MDF) AusAID

MDF was established in July 2011 with the aim to stimulate economic growth, and generate additional jobs and income for the poor and underprivileged, in key rural and urban sectors of the countries in which it will be active. MDF will partner with strategic private and public sector players to stimulate innovative business practices that help make these sectors more competitive and make them grow. MDF started working in Fiji with an initial focus on tourism and horticulture. In time MDF expects to expand the number of sectors in which it is active within Fiji and to expand to other countries.



For more than 40 years, Cardno has been working with AusAID, USAID, DFID, the European Commission and other donor agencies to improve the lives of the poor in developing countries. While we have long employed a market-oriented approach, over the past decade we have utilised a holistic methodology based explicitly on a market intervention framework on many of our projects. In doing so, we have helped refine and strengthen our market intervention framework by contributing to lessons learned.

Our activities span the entire market intervention cycle from setting the strategic framework and understanding market systems through defining sustainable outcomes to facilitating systemic change and, finally, assessing change and refining approaches accordingly. The following pages provide a small sample of our projects and the results they have achieved.



Cardno Emerging Markets (Australia) Pty Ltd

Level 3
854 Glenferrie Road
Hawthorn VIC 3122
Australia

Tel : +61 3 9819 2877
Fax : +61 3 9937 0781

emergingmarkets.australia@cardno.com
www.cardno.com/emergingmarkets



Committed, innovative partnerships – supporting the creation and management of self-reliant, local communities.

Zambia PROFIT USAID

Cardno has been implementing USAID's landmark PROFIT (Production, Finance and Technology) project for the past five years, in partnership with the Cooperative League of the USA (CLUSA). Our approach, grounded in the M4P framework, rests on three key principles:

- ▶ Target high potential sectors that include large numbers of poor households so broad-based systemic change can be achieved.
- ▶ Follow a holistic approach to achieve sustainable growth by addressing constraints related to the core relationship between providers and consumers while bringing together industry players to address systemic constraints within the wider system of rules, incentives, enforcement, services, and information.
- ▶ Practice market facilitation with a 'light touch', ensuring that responsibility for change remains with local stakeholders.

When Cardno and CLUSA launched the project in 2005, total sales in PROFIT's target sectors (cotton, dairy / livestock, and staple field crops) were US\$5.4 million. By the end of 2008, they exceeded US\$30 million. Small cotton growers increased their yields by 20% over the same period, with help from PROFIT advisors. Most impressively, in 2005 only 3,200 small farmers in Zambia were using sustainable, high-yield farming methods. By the end of last year, that number had risen tenfold – to 32,924. PROFIT helped introduce small farmers to greener and more productive techniques.

Timor Leste – Desenvolve Setor Privadu (DSP) Program and Desenvolve Agricultura Comunitária (DAC) Program DAI / USAID

Acknowledging the role of the private sector as a key driver of economic growth and poverty reduction, the Government of East Timor (GoET) is committed to providing the best possible enabling environment for private sector development. The aim is to reduce the number of people living below the poverty line. DSP focused on accelerating the development of East Timor's emerging agriculture, agribusiness and private sectors, by building the critical market linkages that will encourage agribusiness MSMEs to establish and grow. DSP supported overall improvements in the business environment through improved critical market infrastructure and reinforced linkages between key industry players thus ensuring that GoET revenues collected from the private sector increase. DSP achieved increases in the supply of



commercially viable private sector services, domestically produced products, and improved market linkages for supplying / selling those products will meet the objectives of the program.

Since the completion of DSP, Cardno, through DAI, has been selected to carry out the Desenvolve Agricultura Comunitária (DAC) Program. DAC will continue the work of DSP through the development of a model to improve the economic and social livelihood of members of households in poor communities in a way that distributes the benefits fairly between people of different genders. Using new technology and skills, communities are increasing their income and the value of assets by producing high-value horticultural products for a market that pays premium prices for selected products.

Kenya Business Development Services (BDS) USAID

Under Cardno's leadership, Kenya BDS was the first USAID-funded activity to apply an M4P approach to rural market development. The 6-year microenterprise development project combined a targeted sub-sector approach with broader BDS market development efforts, facilitating the sustainable delivery of essential business development services such as input supply, spraying services, and business credit to smallholder farmers in the mango, passionfruit and avocado sectors as well as artisanal fisherman around Lake Victoria. An important component of the project was the Market Intervention Fund – a US\$2.7 million grant fund that financed market facilitation activities among local facilitators. By the end of the project, Kenya BDS had facilitated the development of 813 producer groups, representing more than 59,000 smallholder households.

Kenya BDS linked more than 200,000 rural MSMEs (40% of them owned by women) into commercial markets through formal supply contracts. These include some 2,000 smallholders who now sell directly to exporters, earning two-to-three times more income than they received by selling through brokers. The project facilitated the development of more than 700 BDS providers, including extension officers, agro-stockists, fishing gear retailers, spraying services, commercial nursery operators, and even brokers of savings mobilisation services

Timor-Leste – Development of USAID's Microenterprise Development Strategy USAID

USAID, aware of Cardno's experience in developing market-driven interventions to alleviate poverty and spur economic growth under difficult circumstance, asked Cardno to help develop the Agency's first microenterprise development strategy for its new Mission in East Timor. Cardno assessed the policy and regulatory constraints to growth in the BDS and microfinance markets, identified larger systemic constraints affecting both supply and demand among microenterprises across a variety of sectors, and worked closely with USAID personnel and local stakeholders to develop an appropriate M4P approach.

Uganda SPRING USAID

Cardno began working with both USAID and the EC in war-torn northern Uganda in 2006. While the core of the project is economic strengthening at the household level, it also includes Peace and Reconciliation and Access to Justice components. Our approach is rooted in the M4P framework, facilitating the participation



of poor and vulnerable households in potentially-competitive value chains (e.g. cotton, shea butter, cattle) by working with government, tribal elders, lead firms and other stakeholders to identify and remove constraints to pro-poor growth. In addition to technical assistance and market facilitation work, the project also leverages a US\$3 million 'smart grants' fund to catalyse local delivery of business development services, training and other activities.

Global – Business Linkages Challenge Fund DFID

For seven years to 2008, Cardno managed this groundbreaking US\$30 million global fund for DFID. The goal of BLCF was to provide sustainable livelihood opportunities to poor households in developing countries, by providing matching grants to large multinational and national firms that partner with SMEs in their own supply chains to transfer technology, capital investment or know-how. In doing so, the Fund also strengthened linkages between SMEs and lead firms in globally competitive value chains, focusing on those that were most labour intensive, transparent, and supported by clear rules and robust supporting functions. Cardno managed and monitored 63 grants

totalling just over US\$31 million, leveraging more than US\$60 million in private funds in the process. Among those grants are the following:

- ▶ Sustainable Tourist Ventures in Peru, which constructed a sustainable lodge and provided income-generating opportunities for poor households by creating 'alternative' tourist trails and activities centred on Machu Picchu and the Andes.
- ▶ The Vietnam Business Links Project, which delivered systemic, sustainable and continuous improvement in workplace conditions in the Vietnamese garment industry. More than two million garment and footwear workers now have improved working conditions as well as greater incomes due to broader access to international markets.
- ▶ The Algerian Artisans Project, which brought exporters together with groups of artisans to develop high quality furniture for the European market. Internationally recognised designers helped develop new products, which are now sold directly through top-end retailers in the UK and across Europe.
- ▶ The Island Chicks Project, which introduced a commercial egg-laying industry to the Maldives, providing a competitively-priced product of a superior quality to that which was previously 99.5% imported. The project established a central commercial egg laying unit with smaller Island Production Centres (IPC) on different islands that benefited from the training and marketing coordinated by the central unit.

See over for contact details.