



Early lessons from sub-sector research of Katalyst, Bangladesh

by
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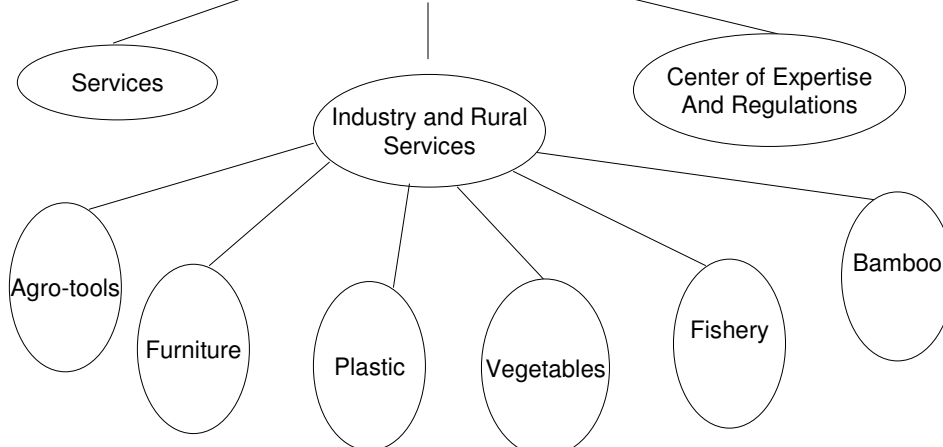
ILO. Chang Mai, 2004



DFID/SDC/Sida
Swisscontact-GTZ-IS

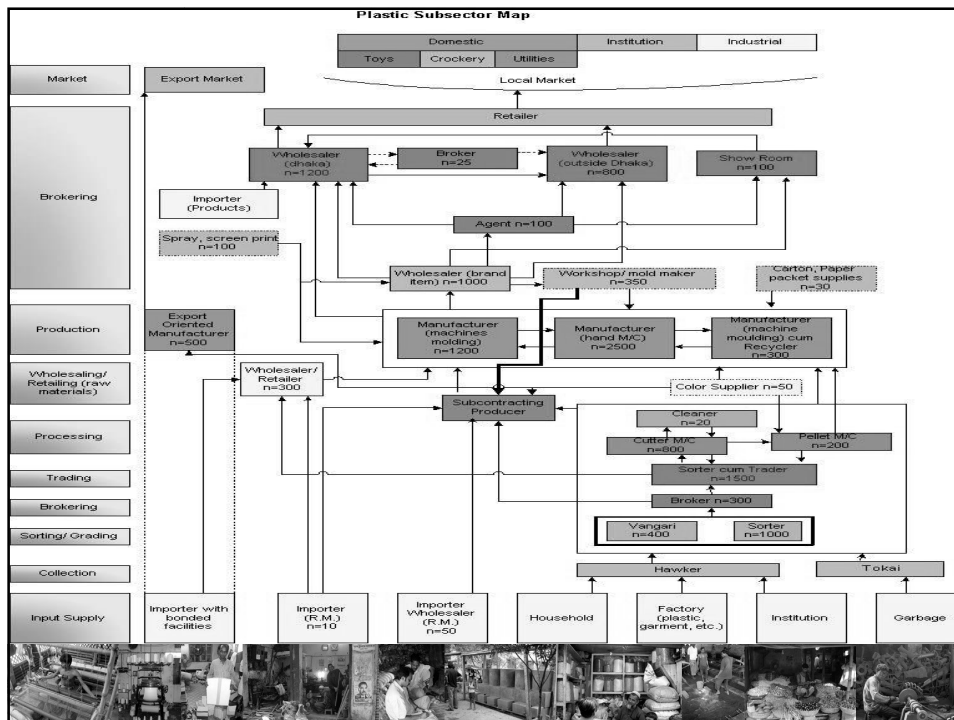



2002-2007
\$25m
45 staff



"a typical sub-sector project "

- (Donor) selection of a sub sector.
- SBS mapping and constraints analysis (by a consultant)
- Selection of service markets & service market assessments
- Report + start of project activities (or not)
- Intervention design
- Interventions
- M&E






- Sub sector selection
- SBS mapping and constraints analysis
- **Dev. Strategy**
- Selection of services + service assessments
- Report
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Katalyst's lessons for sub sector selection

Not one, but at least 4 decisions:

- ✦ Initial selection with criteria like:
 - ✦ Size / outreach
 - ✦ Growth potential, difficult but essential
 - ✦ Link to poverty
 - ✦ Participation of women
 - ✦ Export
 - ✦ ...
 - ✦ High level supporters
- ✦ A development strategy for the sector.
- ✦ Enough constraints that can be addressed by business services ?
- ✦ Finding opportunities and making "deals" ?
→ "select sector" or leave


Get / give freedom to select and to leave





Selection table

	Weight factor	Cast Iron	Electric app	Electric fitting	Embroidery	knitwear	plastic	Equip-ment	Agri
Outreach	20	75.6	66.8	69	72.8	93.6	110.4	95.4	
Growth / demand	20	82.9	74.36	68.4	75.3	84.9	91.327	88.7	
Outside Dhaka	15	84	24	48	48	84	24	120	
Forward /b. Linkages	15	32.2	31.6	28.1	27	45.6	43.2	39.8	
Gender	10	17.2	26.2	21.8	20.6	19	15	10.8	
Environment	10	15	12	12	4	10.5	11	15.5	
Technology	10	23.6	23.9	23.8	13.25	22.1	23.3	29.1	
Total		330	259	271	261	360	318	399	





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- ~~• Report~~
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MARKET RESEARCH

- Agree with introduction → no general research without the capacity and the intention to intervene
- Market research is not a linear but an iterative process; there should be no clear cut between research and interventions



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A sub sector development strategy as a main outcome of research

Examples:

- **Plastics:**
 - Productivity, moulds and policy
- **Vegetables:**
 - Availability of good inputs, farm knowledge and transport

A sub sector strategy will:

- focus the activities of a project in a sub-sector
- improve the effectiveness of interventions
- allow staff to look for opportunities for BDS interventions



- KATALYST**
growth through business services
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Service market selection, general service assessments and intervention design

- We look for a wide range of services (fee based, embedded, public benefit) in weak markets.
- We only do interventions when there is high commitment from private sector players (providers, BMO)

BUT:

- It is difficult to find fee based service providers in our markets and
- General UAI type service assessments are not so suitable for finding embedded services.

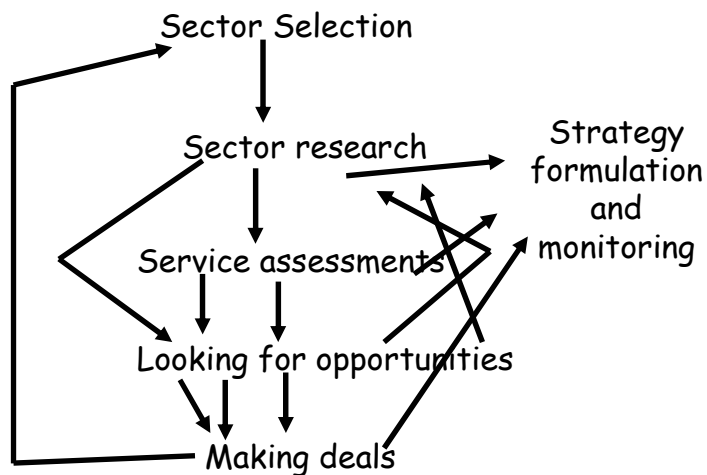
THEREFOR:

- A better starting point is: "look for opportunities"
For this: Presence, Contacts, Reputation, Sector knowledge and Private sector attitude are necessary
- Do mainly small very focused service assessments.

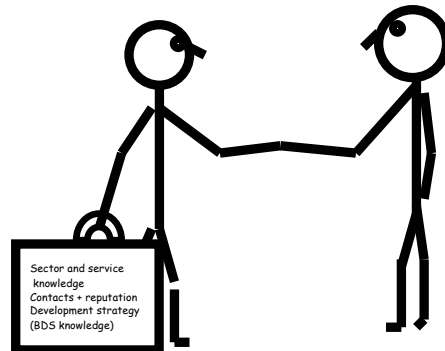


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Reality



Why do we do Market research? a different perspective



Sub sector documents of Katalyst

- o Sub sector and cluster selection
- o Area potential studies for sector selection
- o Sector development strategies (sector briefs)
- o Service assessments
- o Sector productivity baselines and benchmarks
- o Fee based, embedded and public benefit service impact baselines
- o Intervention plans / reports

See www.katalystbd.com



Also for sale:

- o Doing embedded service assessments
- o Role of facilitator in market research (advantages and disadvantages of being visible)
- o Involvement of partners in research
- o Profile of project staff
- o Reporting

