

M4P: Future Directions and Developing a Regional Community of Practice

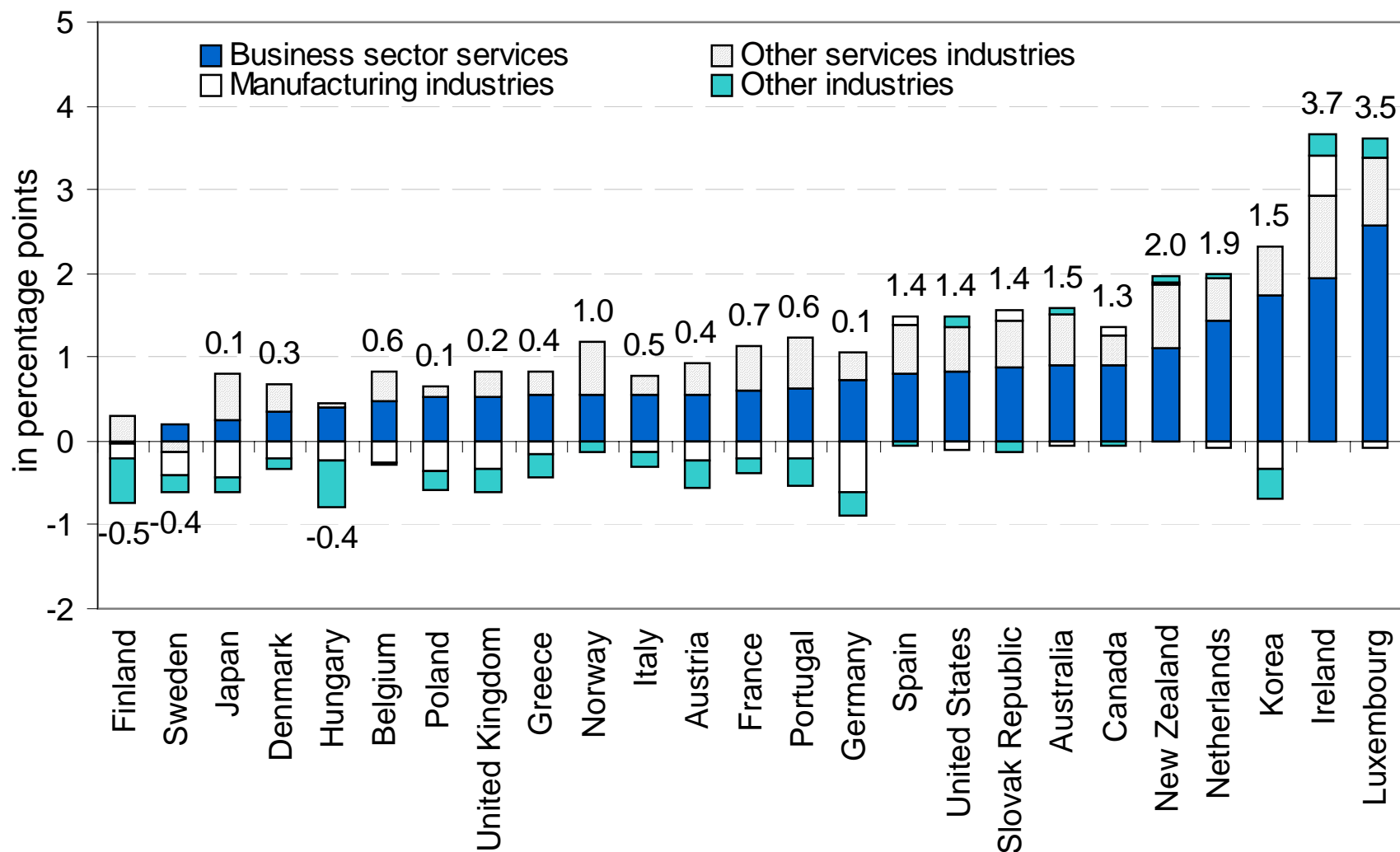
Jim Tanburn,
Cape Town, 14th March 2007

Several exciting developments

- There is a framework for M4P – and M4P is alive and well!
- PSD (and potentially M4P) seen as cross-cutting by several donors now
- Many market-related disciplines are converging around M4P, and attracting donor attention: value chain development, financial service markets, agricultural extension, base of the pyramid, business environment reform, competitiveness – education, health...

Services contribute strongly to aggregate employment growth in OECD countries

Contribution in percentage points



Source: OECD STAN Database 2004, Wölfl (2005)

Research shows the importance of markets for the poor

In Hyderabad, India, for example:

- 61% of pupils are in private, un-aided schools
- Which charge just \$3 p.m. per pupil (average)
- 15% of pupils have concessionary places
- The student/teacher ratio is 29:1 on average
- 74% of these schools have extra-curricula activities (sport, drama, competitions etc.)
- The schools' profit margins are around 25%
- 80% of parents do not consider it important to know who owns the school

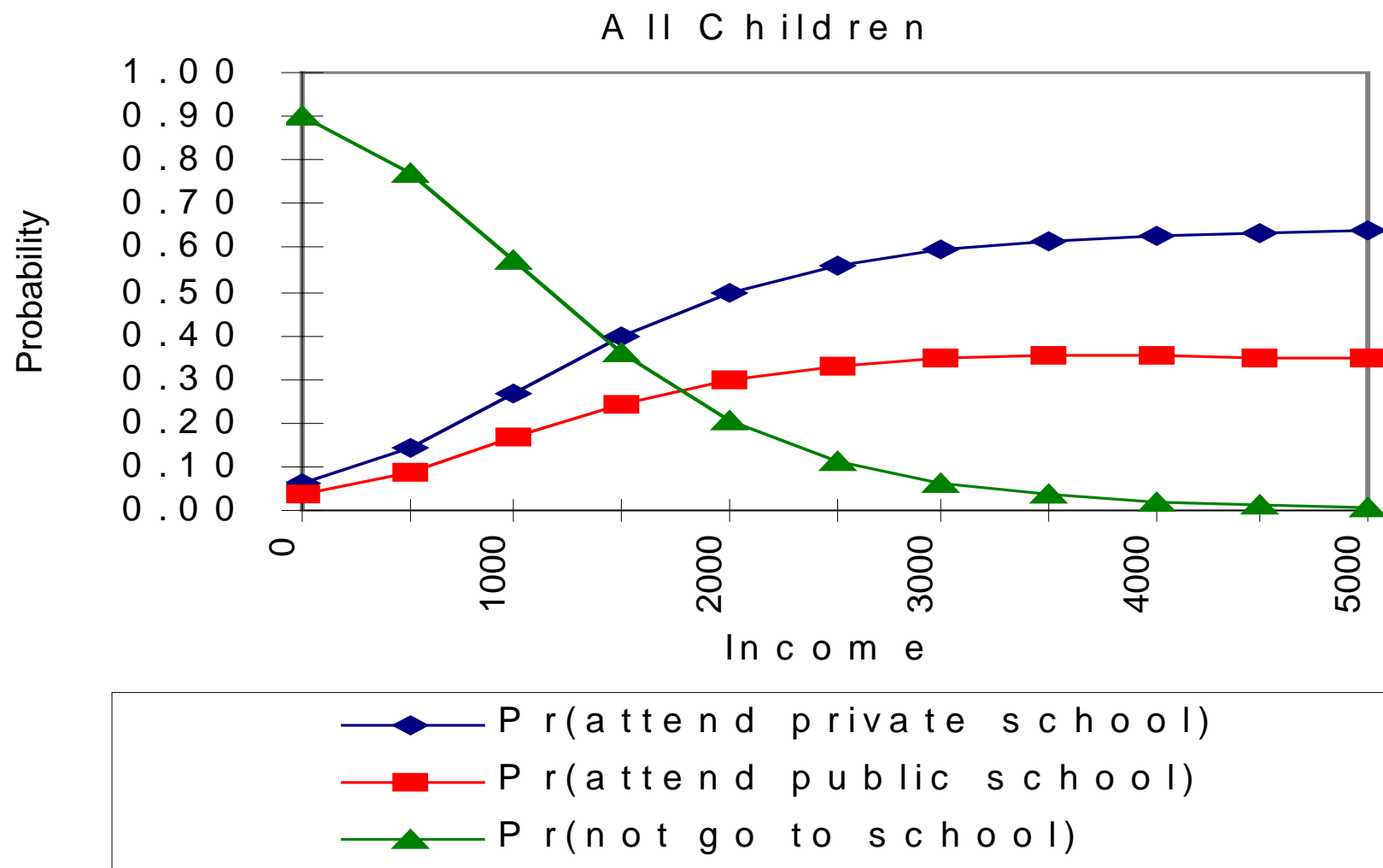
Source: Private schools for the poor: A case study from India 2003, by Tooley and Dixon. www.cfbt.com

... by looking at the day-to-day realities

Typical payments, Rupees	Official	Unofficial
Sanitation	2,454	500-1,000
Inspection	0	2,000-8,000
Property tax	2,500	6,750
Professional tax	2,500	500
Application for recognition	25-50,000	10-50,000

Source: Private schools for the poor: A case study from India 2003, by Tooley and Dixon. www.cfbt.com

... and the preferences of the poor



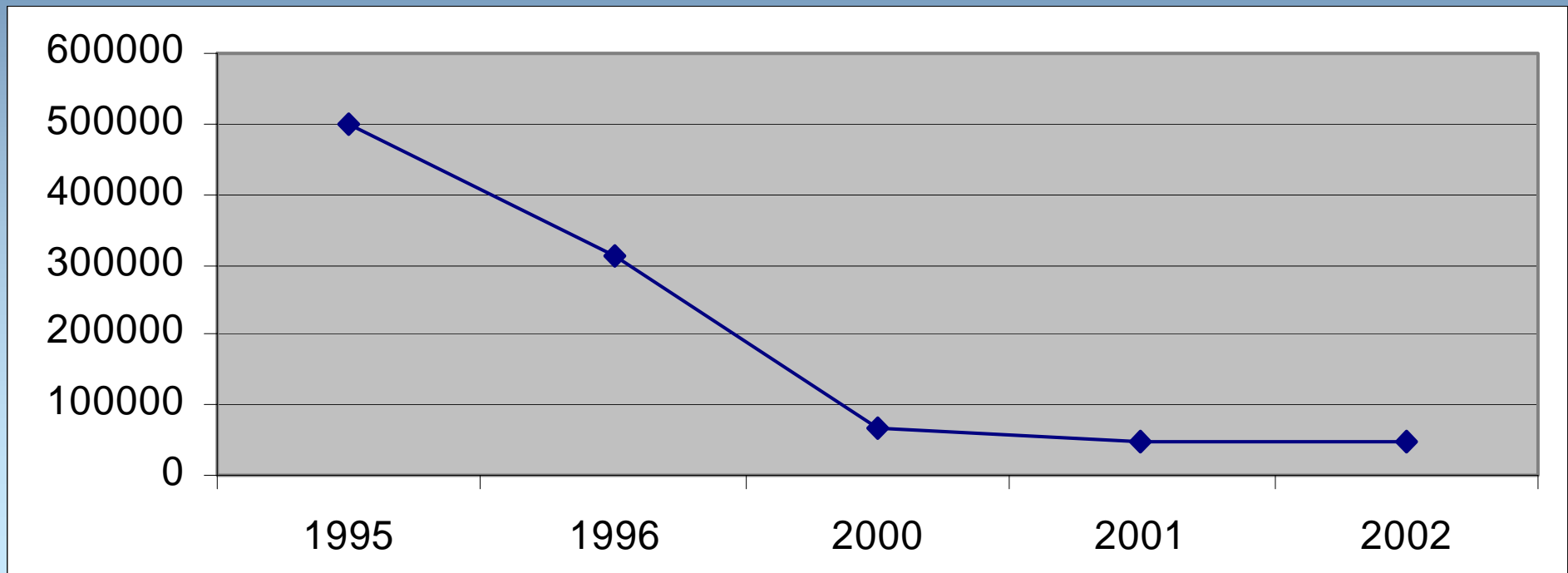
Source: School quality, school cost, and the public/private school choices of low-income households in Pakistan, Alderman et al, World Bank, 1996.

Primary Health Care in Uganda: Approx. number of units

Government	2,500
Private Not for Profit (PNFP)	500
Private Health Providers (PHP)	2,200
Traditional Healers	300-500,000

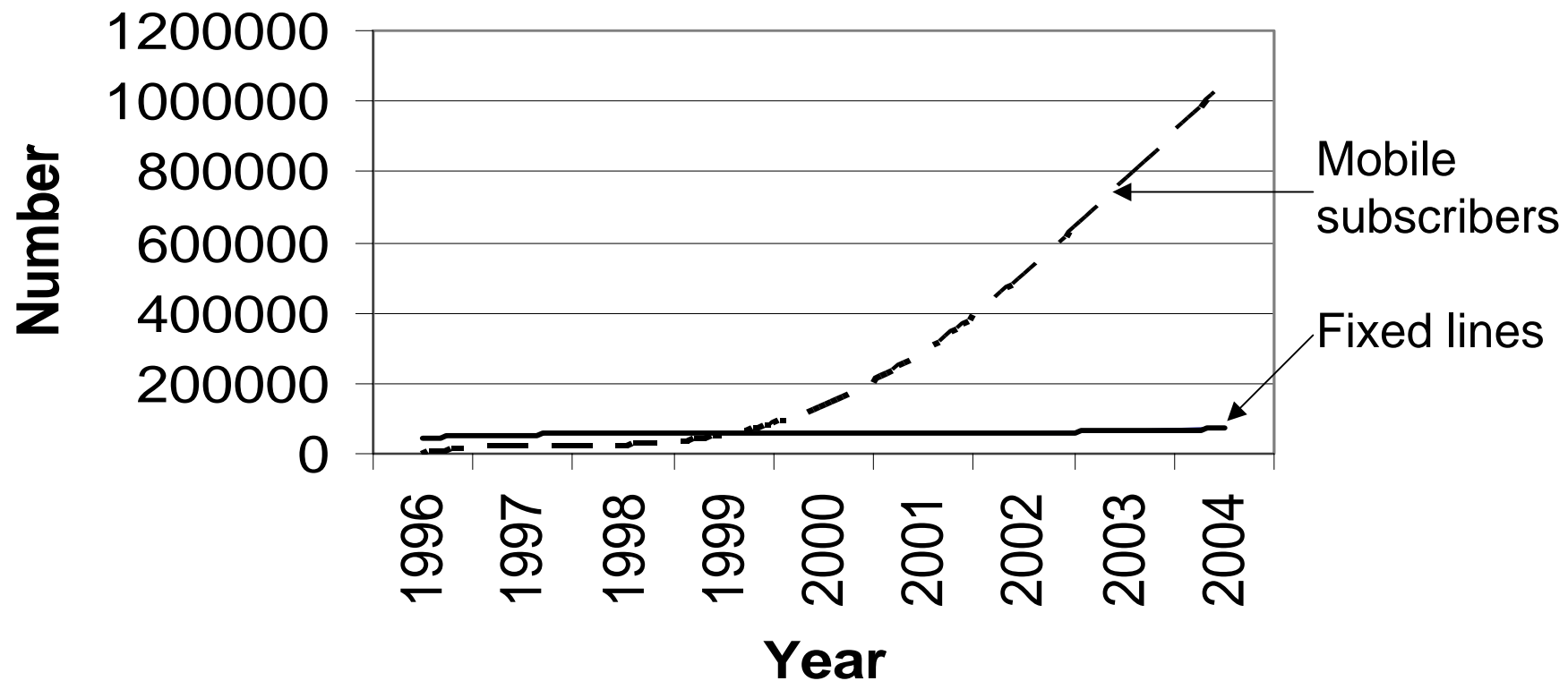
Bringing prices down

Connection charge for Ugandan telephones, Ushs



...so usage can increase

Number of fixed and mobile customers, 1996-2004



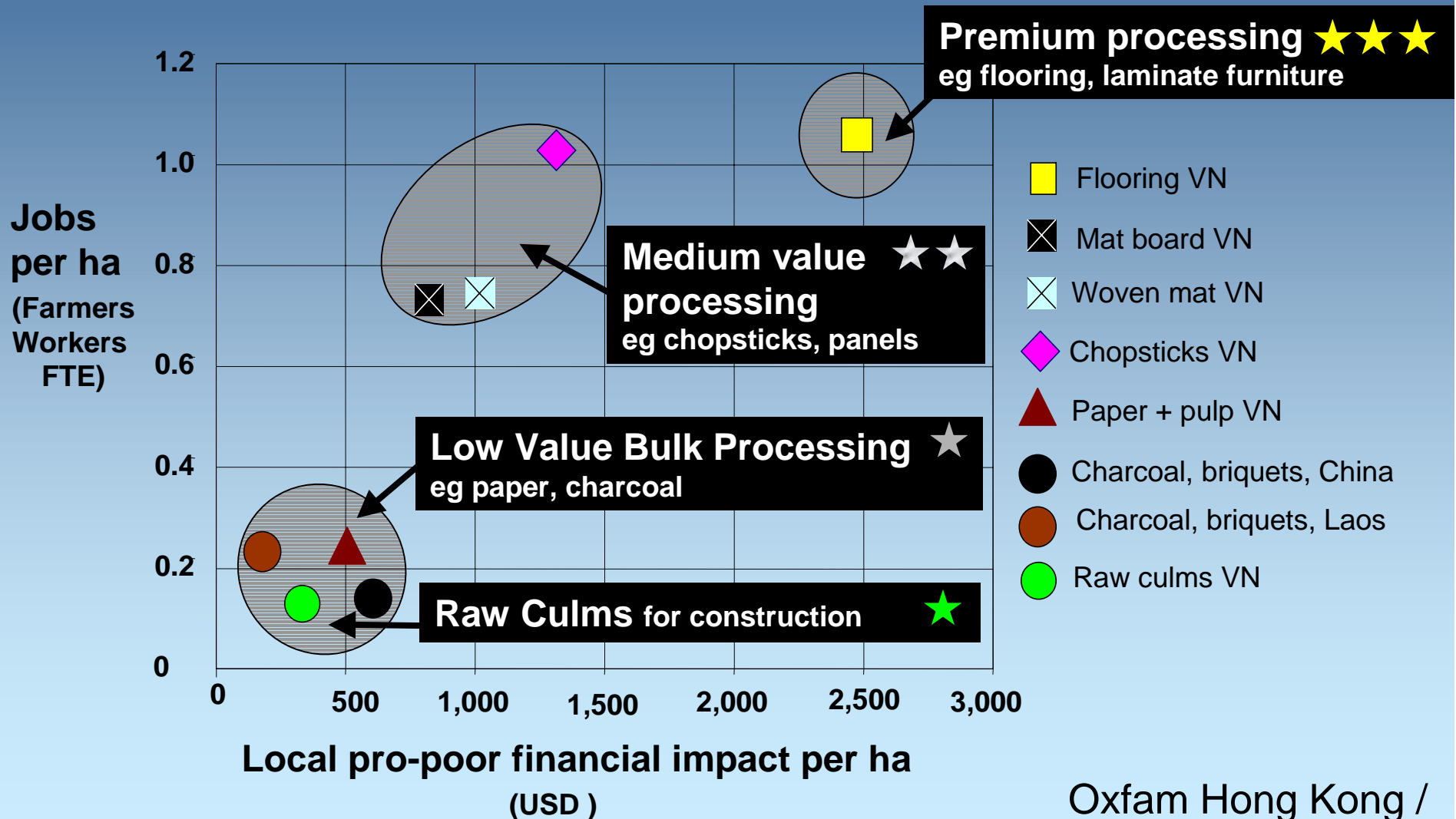
Meanwhile the less poor also capture the benefits of public spending

Share of public spending in Uganda on:

	all education	primary education only
Poorest fifth	13%	19%
Richest fifth	32%	18%

Source: World Development Report, World Bank, 2004

Market information can be used to develop pro-poor options ...



... and some are thinking about how whole systems change

- Decode the current strategy for prosperity
- Create a sense of urgency
- Understand the range of strategic choices and inform them with analyses
- Create a compelling vision
- Create new networks of relationships
- Communicate the vision
- Build productive coalitions
- Develop and communicate short-term wins
- Institutionalise the changes
- Evaluate and affirm the changes

Challenges lie ahead for M4P

- Capacity: M4P requires people who are skilled, entrepreneurial - and passionate about their work. It also requires high 'overhead', and a long-term view
- Advocacy: The impacts and scale need to be better presented, to counter criticisms of being 'neo-liberal' etc. – especially from tax payers in donor countries
- Knowledge management, training...

More information can be found on these websites

- www.MMW4P.org (inter-agency database, also at www.BDSKnowledge.org and www.Value-Chains.org)
- www.Markets4Poor.org (DFID/ADB Vietnam)
- www.Enterprise-Development.org - the Donor Committee for Enterprise Development
- www.SDC-ValueChains.ch (Community of Practice on Value Chains in Rural Development)
- www.MicroLinks.org (USAID): listings for events and training courses

Developing service markets and value chains

Inter-agency website for the exchange of information on service markets and value chains

Welcome to the inter-agency database on developing service markets and value chains. It is dedicated to the results being achieved through systemic approaches, particularly in Private Sector Development. You will find here information from over 100 agencies, working in over 70 countries; we welcome additional contributions.

We have now had about 430,000 page views (equivalent to perhaps 4.3m 'hits') since the site started in late 2003! Thank you particularly to the ILO, Swiss SDC and DFID (see links, below) for co-financing the costs of this site and the 'sister' site on the Business Environment, at www.businessenvironment.org.

Service Market Development: Project Phases

The structure of this site is built around the following Phases in the 'Life Cycle' of a typical Market Development Programme or Project:



Each of these Phases has its own 'home page', which you can access by clicking on the relevant box, above. Or you can click on [Search](#)

'Global' documents and events

Documents and events that synthesise experiences across countries, including the Annual Reader Update on the development of service markets and value chains, in [English](#), [French](#), [Spanish](#) and [Arabic](#).

Documents of the Donor Committee for Enterprise Development (www.enterprise-development.org)

Case studies, Guiding Principles (8 languages), links to member sites etc

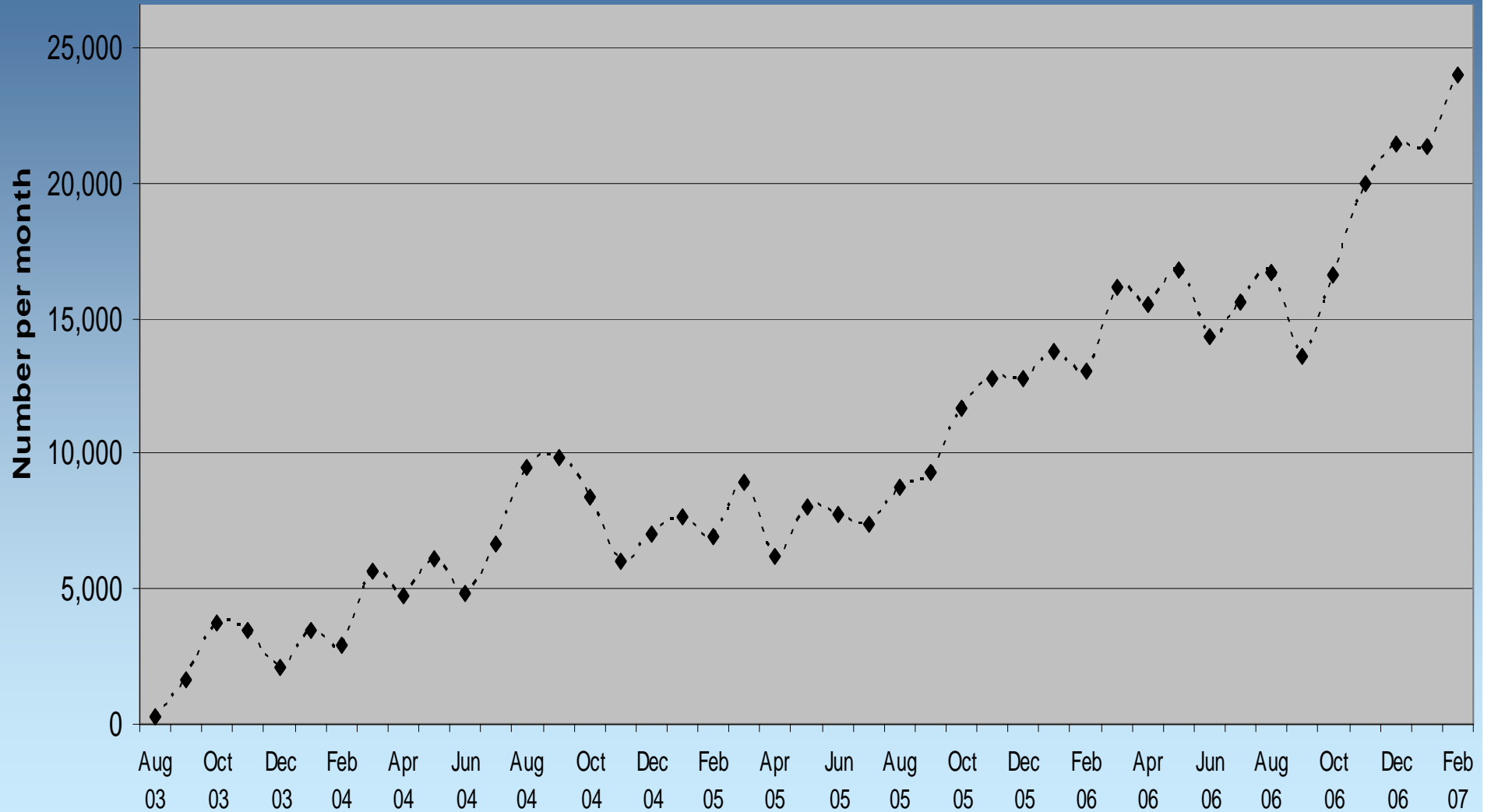
[Selected links to other sites on developing service markets and value chains.](#)

The Seventh Annual Seminar on Developing Service Markets and Value Chains, Chiang Mai, September 2006

The link, above, will take you to the entry for most recent Seminar, where all of the presentations, and the 2006 Reader in English, French and Spanish, are now posted. You can find all the information from the 2005 Seminar [here](#). The entry for the 2004 Seminar is [here](#). These Seminars are among the most popular entries on the site.

[New to service market development? Click here for the Background Primer \(English, French, Spanish, Vietnamese, Arabic\).](#)

Page Views per Month on www.MMW4P.org



What to do next?

- M4P inspires great enthusiasm among devotees: “voice and choice”
- But we need better knowledge of how to implement, what the impacts are, etc.
- Also, we must communicate the approach, and its impacts, with more rigour - to advocate for greater participation among the private sector, Governments, civil society, other donors and disciplines
- So – what do we do next?

Thank you for your
attention!

Questions, answers,
discussion...