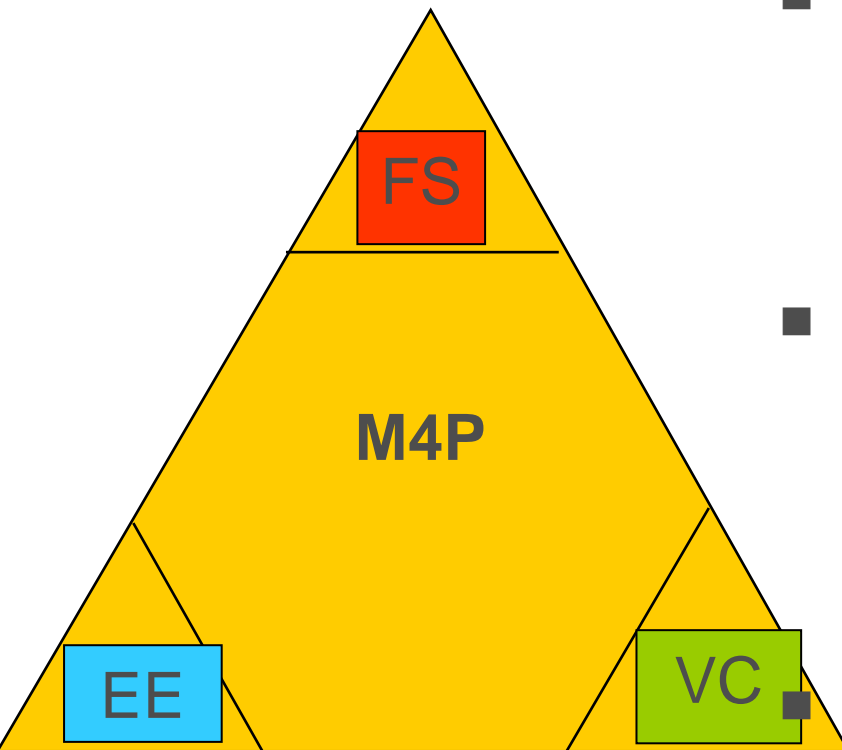


Making Markets Work for the Poor: Private sector delivery of public benefit goods and services

Introduction

David Elliott – Springfield Centre

Different contexts...but a common approach



- FinMark: South Africa, 2002-2007, DFID
Increased access by the poor to financial services (insurance, housing finance, services and information)
- Katalyst: Bangladesh, 2002-2007, SDC-DFID-SIDA
Enhancing productivity of poor producers through improved access to knowledge and information services
- SCINO: Indonesia, 1989-present, Swisscontact
Creating a more enabling local business environment through improved public-private dialogue and engagement

Dimensions	FinMark	Katalyst	Indonesia
Orientation – where are the poor	Access to 2 m additional people, low income groups	Vegetable cultivation: 50% of <i>Always Poor</i> and 100% <i>Occasionally Poor</i>	1000's of unrepresented / lack of voice MSEs
Scale – how many reached	2.3 m in three years; rate of access doubled	350,000 farmers reached (1/3) – and increasing rapidly	No of complaints received (41% related to basic services) XXXX
Poverty – income difference	↑ Access = ↓ Poverty	25% spend reduction on inputs; 33% increase in yield; 100% increase in revenue	Proxy measures: Improved public sector response; reduced street protests (costs/ damages)
Sustainability – continued impact	Access continues to increase	Access to information continues – plans for upgrading / expanding	Complaints centres, PPD Platforms all continue and funded by local resources
Crowding-in – additional impact	Systemic factors addressed: continued deepening without project funding	Plans for replication / adaptation by competitors for same and new products	Neighbouring municipalities learning, interested in replication

The Promise of M4P

Tackling poverty:

- **AT SCALE**
- **SUSTAINABLY**

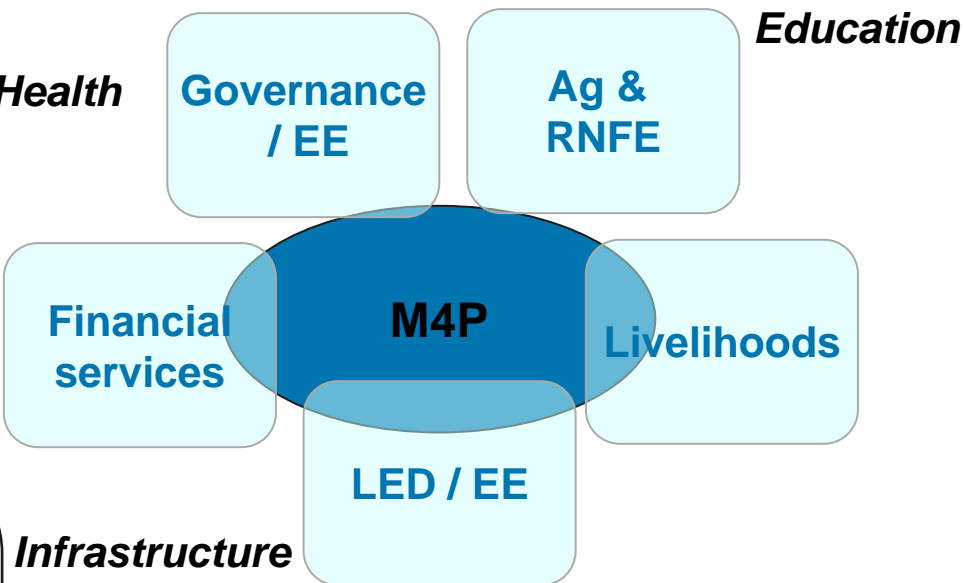
DFID external assessment of M4P portfolio:

- “MMW4P Interventions have delivered some of the biggest bang for buck.”
- “MMW4P epitomises the Paris Declaration enabling stakeholders to lead the process of change.”

M4P: crossing cutting, not standalone

M4P's prime motivation:
How development agencies can intervene to promote inclusive, sustainable economic development...

... To include the poor in the economic mainstream



“... (incipient) signs within DFID that M4P is emerging as a unifying theme for the different disciplines within its PSD approach.”

“The technical assistance and creative thinking that underpin these MMWP programmes must NOT be sidelined by the increasing profile of either investment climate work or budget support.” *IDC, July 2006*

PRO-POOR GROWTH AGENDA
 Access to goods & services
 Empowerment & incentives
 Policy, regulation & coordination
 Role of government & other actors



Are markets relevant to public benefit goods...?

“In many countries, the public system is now a minority provider of services, including to the poor”



- Markets matter for the poor

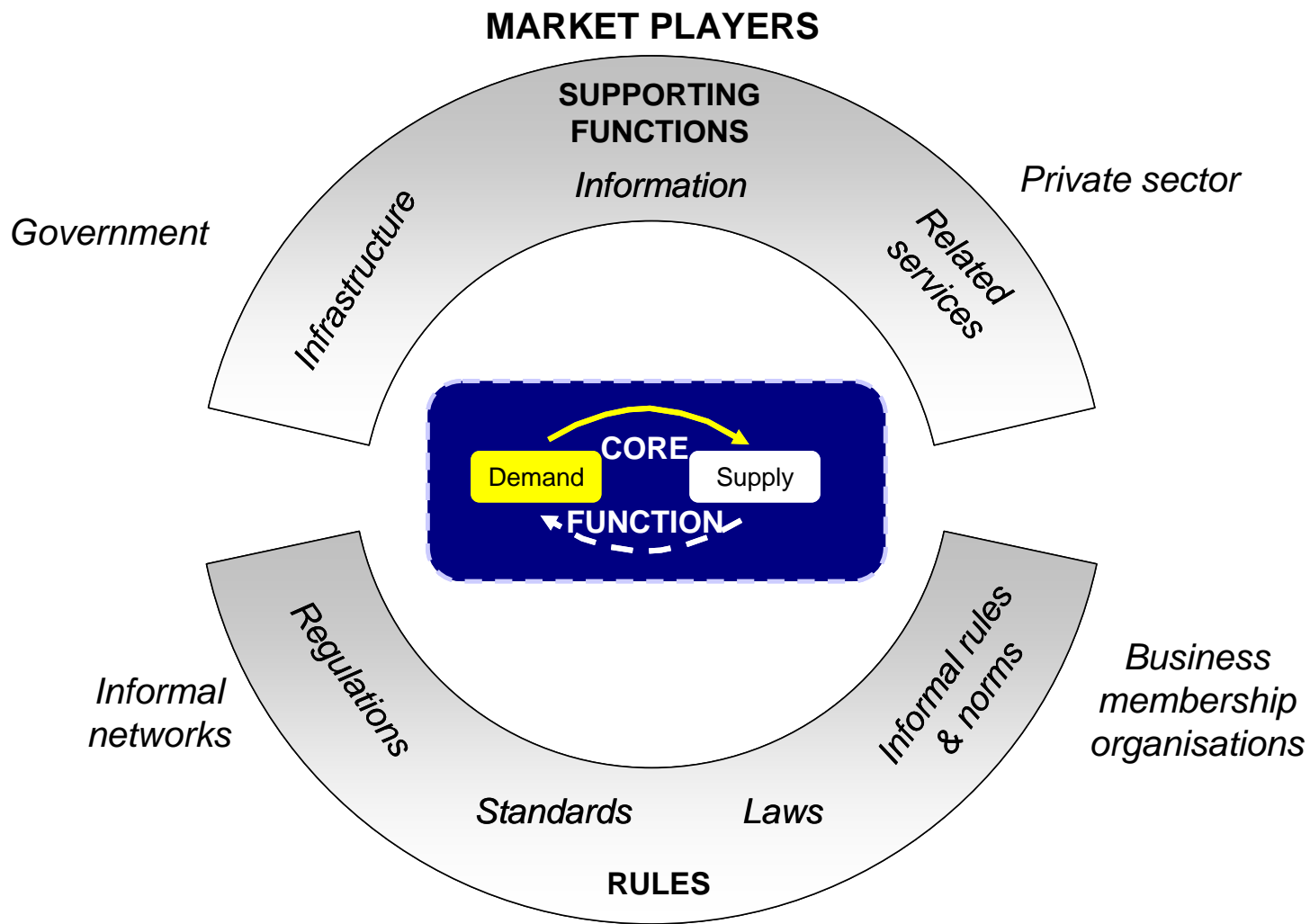
- Unorganised and unregulated markets do not meet the needs of the poor
- New institutional arrangements based on public and private capacities

M4P...from markets to a market system

Markets are always a combination of functions and players...

but

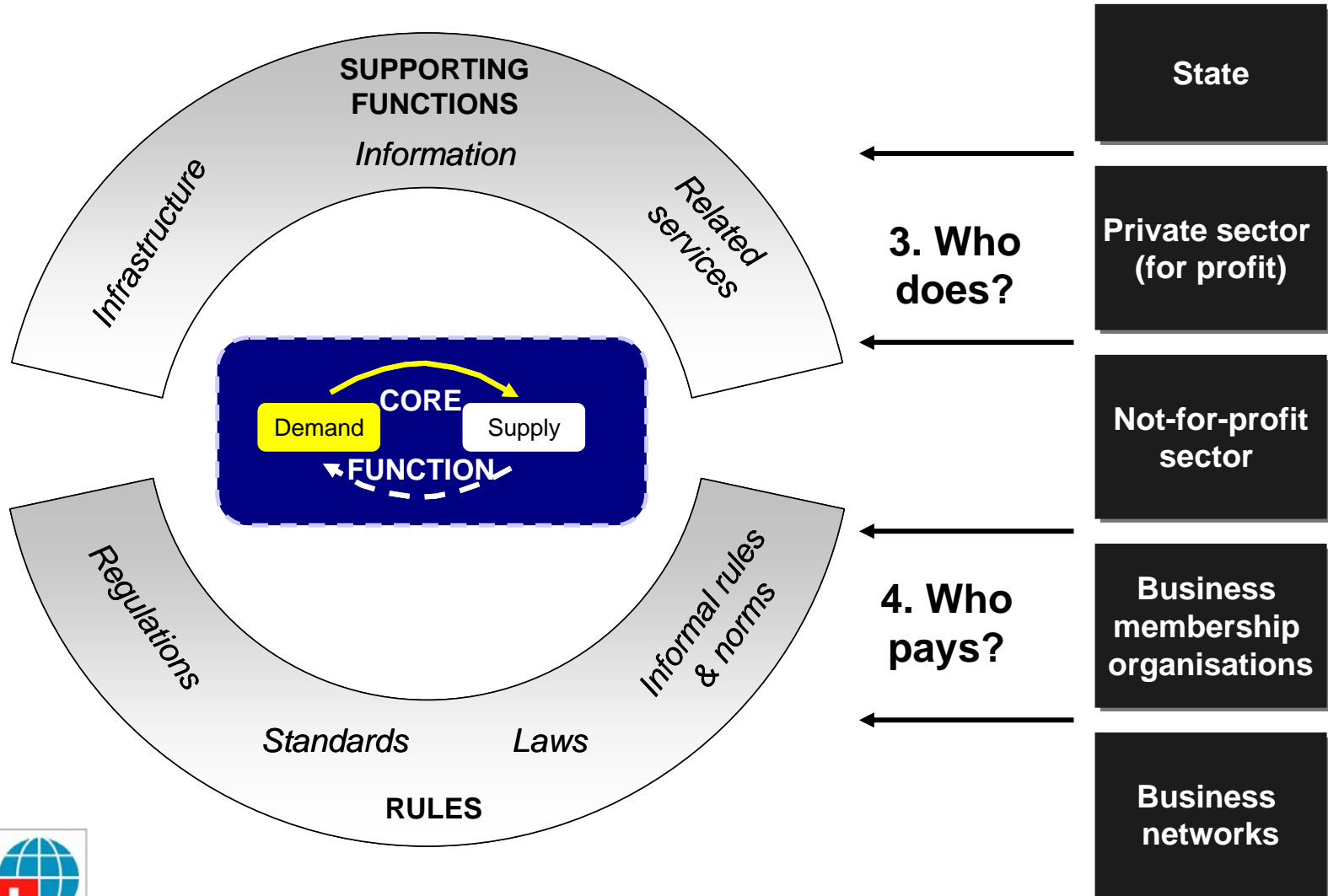
... the balance and emphasis of this depends critically on the nature of the market



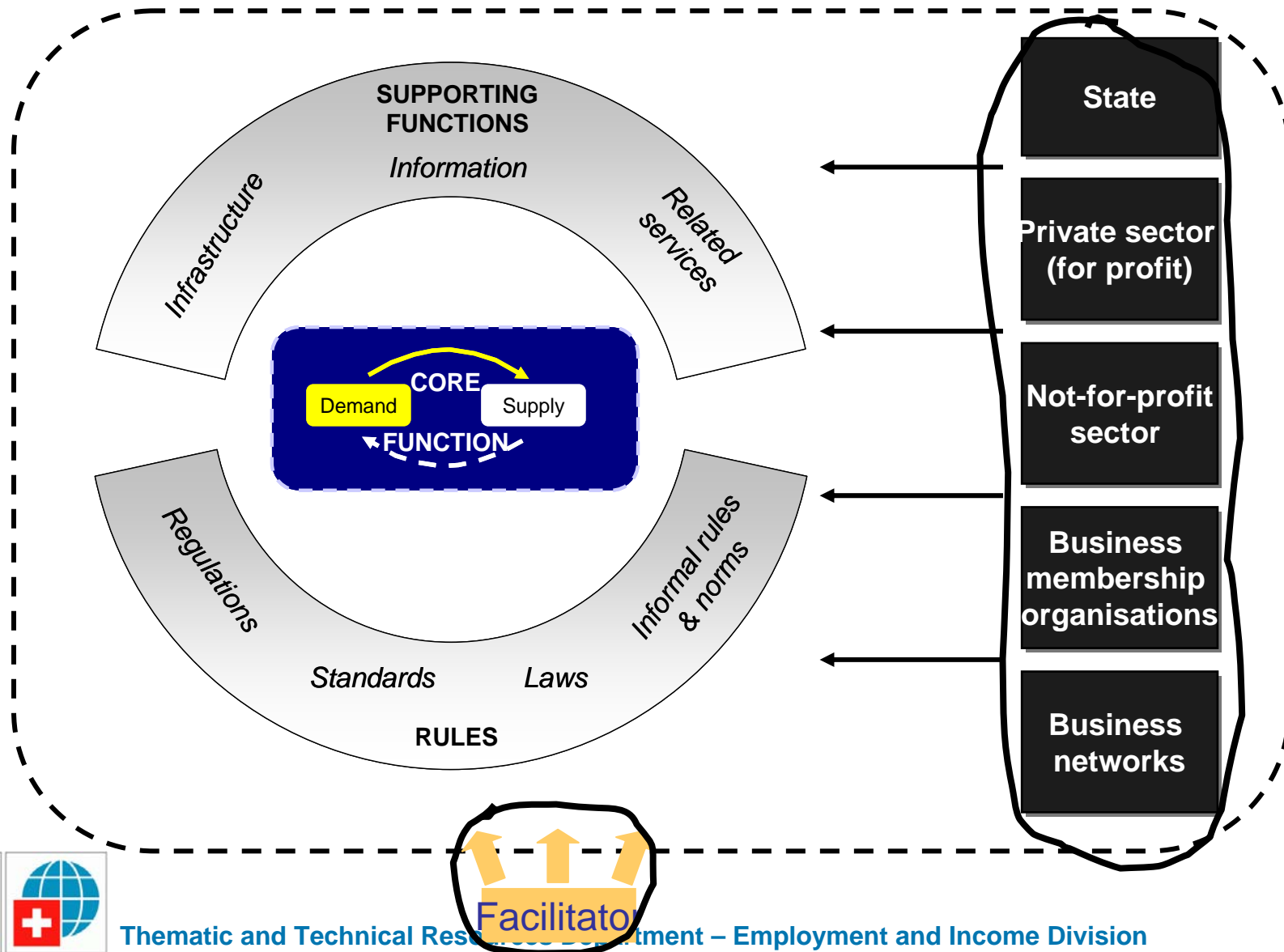
M4P intervention framework....and sustainability

1. Market functions

2. Market players



The market development challenge



Towards a strategic framework for M4P



**A range of triggers -
trade agreements,
regulatory rules and
technology, new
organisation roles.**

**As consumers or
producers**

**Welfare gains, higher
incomes, information,
outputs etc**