Private Sector and Market Systems Engagement: Time to Move Beyond Corporate Social Responsibility

CARE Bangladesh 2019
It is high time for NGOs, Private Sectors and Market Players to think beyond Corporate Social Responsibility

CARE Bangladesh, based on its solid work with more than 70 Private Sector Agencies, understands that Market and Private Sector have a huge potential to transform society and in ending poverty

NGOs, Private Sectors and Market Players have a huge scope to cultivate creative space for co-creating market based solutions to address issues around poverty, inequality and in strengthening sustainable Market Eco-Systems

Private Sector’s vision of Volume and Scale irrespective of business size can transform the thought process of NGOs towards Scale-Driven Impact

It is critical that ‘Market Systems Work for Poor and Most Marginalized Communities’

There is opportunity to influencing and engendering Market Systems and Private Sectors

It is important to recognize our deep understanding of poor and marginalized communities as a valuable asset which is critical for the Market and Private Sector Players; this is a partnership of equals

It is high time for CARE to internalize and be active player within Private Sector and Market System at national and global levels
CARE Bangladesh’s work with Private Sector and Market Players

- MOU and Partnership with 71 Private Sector Organizations across 13 projects
- Types of organization with multiple engagement: **40**
  - RMG/Textile Factory: **24**
  - Local Conglomerate: **11**
  - Local Agriculture Company: **5**
- Types of organization with specific assignment: **11**
  - Formal Financial Institution: **3**
  - Intl. Fashion Brands: **3**
  - Multi-National Corporations: **3**
  - Insurance Company: **2**
- Types of organization (Others): **21**
  - Click here to see details
Other types of Private Agencies we work with based on intervention needs

<table>
<thead>
<tr>
<th>Company Type</th>
<th>No.</th>
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</thead>
<tbody>
<tr>
<td>Agro-machinery company</td>
<td>2</td>
</tr>
<tr>
<td>Animal Health Company</td>
<td>2</td>
</tr>
<tr>
<td>For Profit-Foundation</td>
<td>2</td>
</tr>
<tr>
<td>Insurance company</td>
<td>2</td>
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<tr>
<td>Intl. Departmental Chain</td>
<td>2</td>
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<tr>
<td>Local – Fast Moving Consumer Goods</td>
<td>2</td>
</tr>
<tr>
<td>Automobile manufacturing</td>
<td>1</td>
</tr>
<tr>
<td>Consulting Organization</td>
<td>1</td>
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<table>
<thead>
<tr>
<th>Company Type</th>
<th>No.</th>
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<tbody>
<tr>
<td>Cooperative Society</td>
<td>1</td>
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<tr>
<td>Educational Institution</td>
<td>1</td>
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<tr>
<td>Hotel</td>
<td>1</td>
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<tr>
<td>NGO</td>
<td>1</td>
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<tr>
<td>Rubber Company</td>
<td>1</td>
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<tr>
<td>Social Enterprise</td>
<td>1</td>
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<tr>
<td>Telecommunication / IT</td>
<td>3</td>
</tr>
<tr>
<td>Training Institution</td>
<td>1</td>
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Making Markets Work for Poor: Co-Creating Market Solutions

MOU Signing Ceremonies with Different Market Players
## Scope of influence and impact

### Diverse Potential Impact areas through 71 Companies

<table>
<thead>
<tr>
<th>Impact areas</th>
<th>No of interventions</th>
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</thead>
<tbody>
<tr>
<td>Health</td>
<td>21</td>
</tr>
<tr>
<td>Inclusive Business</td>
<td>13</td>
</tr>
<tr>
<td>Women Economic Empowerment</td>
<td>10</td>
</tr>
<tr>
<td>Social Business</td>
<td>9</td>
</tr>
<tr>
<td>Poverty Reduction</td>
<td>8</td>
</tr>
<tr>
<td>Business Development</td>
<td>7</td>
</tr>
<tr>
<td>Financial Inclusion</td>
<td>5</td>
</tr>
<tr>
<td>Resilience</td>
<td>3</td>
</tr>
<tr>
<td>Nutrition</td>
<td>1</td>
</tr>
</tbody>
</table>

- RMG factories are engaged in Women Economic Empowerment and Health impacts
- SHOUHARDO III and SHOMOSHTI are projects partnering for inclusive business and Women’s Economic Empowerment
- Krishi Utsho & Living Blue partner for impact on Social Business and Business development
Reflections: Modalities of engagement

- Private sector actors are interested in designing and testing/promoting products and services for poor and marginalized
- Private sector actors not only provide products and services, they are also adopting functions of NGOs
- Private sectors need to expand their markets
- Private sectors need to comply with their corporate responsibility

**Modalities of engagement**
- Co-facilitating space, training, and engagements for workers and management
- Co-designing and implementing pilot of innovative goods or services
- Technical Assistance: Training
- Supplier of relevant Product or service
- Donor
- Pro-poor formal finance provider
- Technical Assistance: Consulting
- Platform/Consortium Partners
- Transportation services
Roles played by Private Sector

- **Product/Service Supplier**: 23%
- **Provide Space and People for Project Activities**: 20%
- **Training Beneficiaries**: 21%
- **Product Development & Testing**: 20%
- **Funding**: 5%
- **Training Agents/Retailers**: 5%
- **Business Operation Services**: 5%
- **Product/Service Supplier**: 23%
Engagement with Factory Management is Critical
Strategic Insights

- Core case for Private Sector Engagement
  - Our expertise, reach and understanding of the poor and marginalized is capitalized by Private companies to reduce risk and CAC (Customer Acquisition Cost) required to penetrate the market with relevant products and services
  - While these companies can provide the scale and resource to create beneficial impact at scale that sustains beyond project duration – Impact @ scale and Sustainability

- Thus, Co-designing and co-implementing pilot of innovative products or services is the most promising form of engagement; their ways of reaching impact @scale is critical

- Private Sector Actors are gaining capacity in role as trainers to beneficiaries & retailers/agents, a role usually left to Partner NGOs – they may become a viable alternative, expanding our choices and scope in partnerships; private sector is also adapting to us
Products and services developed & tested in partnerships

1. Micro-health Insurance (Telenor and Pragati Life Insurance)
2. Agro Insurance (Green Delta)
3. Low-cost Sanitary Napkins (ACI)
4. Eye camps and eye health service (VAF)
5. Ready-feed for cattle (ACI)
6. Mobile Paravets for Cattle health (ACI)
7. Loans for beef-fattening (iFarmer)
8. Industrial beef-fattening (Bengal Meat)
9. Commercially bred crablets (NGF hatchery)
10. Pheromone Traps (GME Agro)
11. High Yield Brinjal and Tomato Seeds (LalTeer)
12. A-card & Savings account (Bank Asia)
13. Organic Farming (UOMCSL)
14. Indigo Dyeing Fashion taken global (GL and Loewe)
15. Female Mobile sellers and mobile services (Robi)
16. Mobile Money (bKash)
17. Formal Bank Account (Bank Asia)
18. Micro-Seed dealer and retailer (Lal Teer)
19. Collection Centers for Maize Procurement (ABFL)
20. Youth Employment Skills development (PRAN RFL)
Private Sector Engagement for sustainable and scalable solutions

- Inclusive value chains & market systems
  - Women’s Economic empowerment
  - Market systems Governance
  - Resilient Livelihoods

- Social Entrepreneurship

- Dignified Work

- Financial Inclusion
THANK YOU
For more information and feedback:

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