

# Inclusive and Sustainable Private Rural Service Provision System: The experiences of Samriddhi

Country: Bangladesh

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## Context

- Low outreach/service gap of government departments due to human and financial constraints
- Private companies not interested to reach small rural producers due to high transaction cost
- Low technical knowledge and skill of rural producers
- Limited/no access to adapted financial services for small holders
- Limited access to quality inputs for rural producers
- Weak or lack of organisational capacities of producers

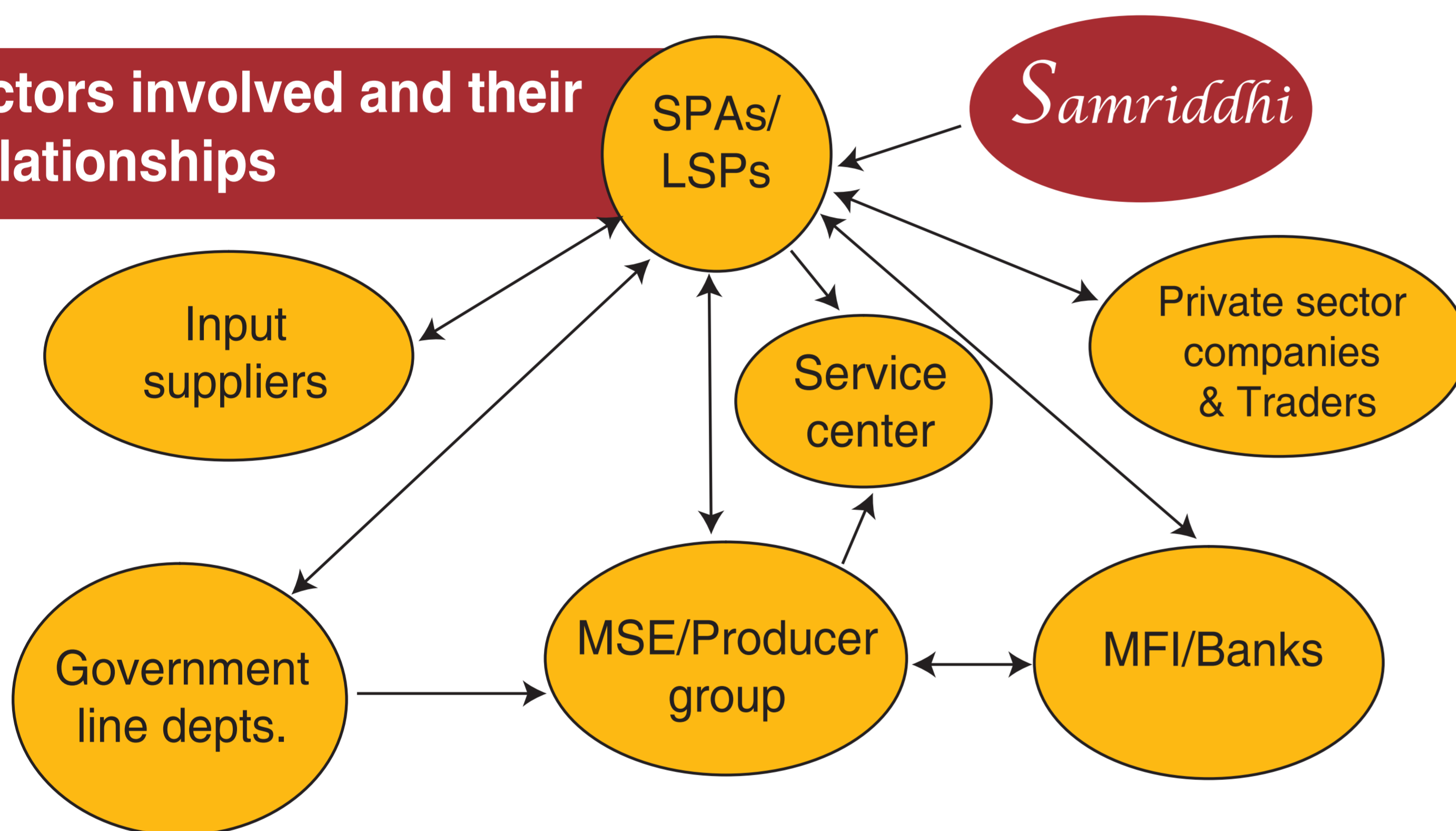


## Aim

- Address & overcome systemic market constraints and facilitate the development of linkages and terms of conditions between disadvantaged producers and market actors
- Contribute to capacity building of poor producers to bring win-win gains
- Identify markets which the poor can enter and act in, and provide them with the required technical and business know-how
- Provide relevant service package in support of the enterprising activities of the poor, helping them build up and run their enterprises successfully
- Facilitate access to resources such land and water



## Actors involved and their relationships



- Govt line dept. : Provide capacity development to LSPs/SPAs; services to producers
- LSPs/SPAs : Provide holistic package of services and inputs
- MSEs/Producers : Sell produce and labour; buy services and inputs
- Service centres : Provide on-the-spot advice and sell inputs
- MFI/Bank/trader : Provide financial products and services
- Private sector companies & Traders: Buy products
- Input suppliers : Sell quality inputs
- Samriddhi : Facilitate capacity building of LSPs/SPAs; facilitate engagement of other actors/players

## Delivery mechanisms

- SPAs identify interested and pro-poor minded local people as a member of their associations
- LSPs organise producers/business groups - Micro and Small Enterprises (MSEs) - around specific and potential products (value chains)
- SPAs coordinate and monitor the services of the LSPs; one LSP provides services on average to 250 producers or about 10 producers' groups (MSEs)
- LSPs provide production, processing, post-harvest and marketing services to the producers
- SPAs and LSPs facilitate business terms / contracts between producers and other private sector entrepreneurs
- LSPs provide quality inputs from private companies as commission agents, manage service centers for on-the-spot advice, & support output markets through collection centers
- LSPs conduct field demonstration of new/modern technology in coordination with government departments and private companies



## Impacts

- Service market system developed that responds to the need of poor and extreme poor producers for reliable, demand-responsive and competent services
- Triggered demonstrated dynamism of market system players, leading to market expansion, product diversification and market penetration
- Most systemic constraints addressed had impacts on the overall market system rather than specific and limited number of market players
- Before-after comparison showed strong satisfaction and benefits to most producers, including poor and extreme women and men
- Increased outreach of more than 920,000 producers, mainly poor and extreme poor women and men as a result of increased expansion (through copying and crowding in) of the system both horizontally and vertically

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