

PSE NEWSLETTER

Today, Tomorrow, Together!

A Newsletter of the CARE Bangladesh Private Sector Engagement Team



About Private Sector Engagement (PSE) Team

Companies in Bangladesh support a diversity of social welfare projects on non-formal education, health, social awareness campaigns, etc. While these initiatives have created opportunities for a niche population group, they haven't really been sustainable, nor have they delivered long term positive impacts for communities or businesses. CARE is therefore now to revamp private sector engagement into a strategic and transformational process that will likely win for all!

A new team has thus been formed to take up three main functions. A Design unit to research, conceptualize and design new business opportunities, while also develop measurement systems to create an evidence base. A Strategic Partnerships unit to initiate and propel relationships with the private sector forward- and finally, an Innovations Facility to test and innovate new business opportunities to the extent that they are transformed into sustainable and impactful NGO-corporate partnerships. It is important to note that this is not a linear process and considerable interdependencies will exist between the units.

Saif M M Islam, Editor, PSE Team

From the Country Director

Engagement with the private sector is an inseparable part of development in a country like Bangladesh, where the private sector has been the driver of continuous economic growth.

With our new team, we can continue to grow our evidence base that responsible business pays off, delivering benefits to business, workers, consumers, and communities alike.

I commend the team for their ongoing efforts and wish you all the best for 2011.

Nick Southern
Country Director



From the Director, Private Sector Engagement

After considerable success in private sector engagement, I now lead a Private Sector Engagement team, which will specifically drive CARE B's innovative collaborations forward- researching new business opportunities; developing NGO-Corporate partnerships; and building a mechanism for demonstrating results.

With the expanded team, I am pleased that we will now be bringing our partners and stakeholders regular updates on our work by way of this newsletter. This first edition introduces many of our unique endeavors!

I wish everybody a happy, healthy and successful 2011.

Asif Uddin Ahmed
Director, Private Sector Engagement



What's Inside this Edition?

What's in the next edition?

Private Sector and CARE Bangladesh: Why and How we work?

So why does CARE Bangladesh engage with the private sector? In addition to the fact that it is a core component of our development strategy, we think, engaging with the private sector has the following benefits to our impact population: (a) private sector's depth and breadth of reach, through business can be exploited for the better to reach massive development impact scale; (b) since they are an integral part of the socioeconomic system, their participation contributes significantly to ensuring sustainability in development programs; (c) they are a wealth of access to new technologies, resources, ideas and experiences; (d) they bring a differential pool of skills and expertise that add significant value to programs; (e) company investments, such as employee welfare, can create mutual value for both companies and society; and (f) they have the presence and the ability to influence important policies and institutions for a conducive business and social environment. CARE Bangladesh engages with the private sector in the following ways:

1. Inclusive markets and supply chains: CORE BUSINESS

CARE incorporates the poor and Bottom of the Pyramid (BoP) people into value chains that are related to promising economic sectors in Bangladesh- as producers, suppliers, traders, service providers, and wage-earners in the agriculture sector for example. This is perhaps the best way to engage with the private sector since the poor are then a key stakeholder in their core business, and this is where CARE intends to direct most resources and development programming over the next decade. It also means connecting producers to profitable markets, and markets with integrity, just as it means connecting BoP people with business supply chains, and the overall business environment, using sustainable business plans that garner win-win situations, and promise incremental incomes for the poor. It also is likely to significantly improve the business of companies and contribute to their competitive advantage and business growth. For example CARE trains rural women as sales agents, who sell private sector products door to door, earn income from commission on sales, and in the process helps the private sector expand market coverage in new BoP markets.



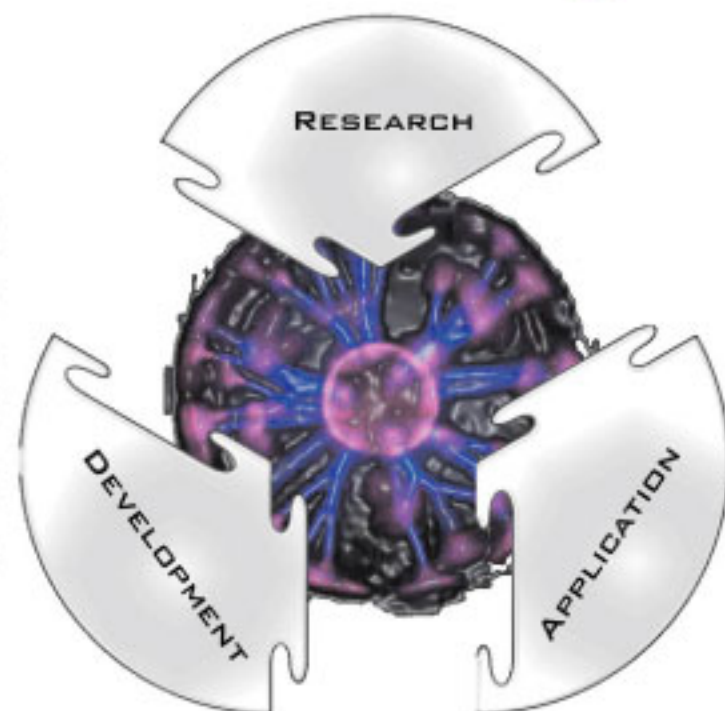
2. Pro-poor social investments

The poor in Bangladesh are deprived of many basic and advanced necessities and services in life, such as education, health, nutrition, sanitation, safe water, information, and many other products of need. CARE believes that the private sector has the business presence and ability to create access to these services among the poor. These services are indispensable to improving lives and living standards. However, the business intent of the companies cannot be ignored and this should not be understood as charity or philanthropy. Based on viable business models, CARE will foster pro-poor investments that provide the poor with access to much-needed services. For example, CARE has a partnership with Kik, a German retail giant who employs BoP women in their supply chain and makes profits. Kik then makes investments on the health and nutrition of workers and their families through additional profits they have been making as a result of the partnership program.



3. Responsible business and development research

Corporate Social Responsibility (CSR) is a little understood term in Bangladesh, and many companies still relate it to philanthropy. CARE Bangladesh believes that this has to change, and therefore, CARE is teaming up with 25 strategically selected companies to sensitize them on responsible and inclusive business such that they can play an integral role in the country's socioeconomic development and in the process acquire valuable competitive advantages. CARE also partners with key national and international research institutions, such as the University of Oxford, Said Business School to research BoP markets and explore with innovative development and business solutions in partnership with the private sector.



Cover Story 1

Rugging up in Rangpur

As winter brings cooler temperatures in Bangladesh's northern most division of Rangpur, more than 300 CARE B female beneficiaries are working hard to meet growing international demand for their rug products.

Under the project, extreme poor women are paid an allowance whilst receiving training in rug production. Rugs are produced using traditional handloom technology and women are paid based on the number of units they produce. Beneficiaries are reporting incomes of 3500 to 4000 Bangladeshi taka (around 50USD to 55USD) per month. With communities reaping the rewards of improved cash flow, and rugs attracting increasing prices, the dignified employment is looking sustainable for these women in Rangpur.

KiK gives back

Since the beginning of the project, KiK has been putting aside 100 per cent of profits derived from the sale of rugs. In 2011, KiK will return these profits to the community, in the form of health camps facilitated by CARE B.

Every week for 10 weeks, CARE B will coordinate a health camp in a community where the rug project is operating. Health camps will be attended by two qualified doctors (one male, one female), a pharmacist and a community health trainer. In addition to providing free health consultations and treatments, the camps will provide training in nutrition and hygiene. The project is already providing free health care and advice to 500 rug workers and community members, working towards improved health and therefore productivity of KiK's Rangpurian workforce.

CARE B KiKs a goal

CARE Bangladesh was thrilled to accept the PublicAffairsAsia Gold Standard Award for Sustainability in February 2010 for its rug development project. In accepting the award, CARE B Economic Empowerment Director Asif Uddin Ahmed said, 'This award is testament to the positive mutual benefits of sustainable private sector-community partnerships. We look forward to continuing our work with KiK.'

KiK and CARE: Composite Community Development

From profits it has been making through the CARE partnership, KiK has disbursed an amount of 240,000 Euros on a three year composite community development project that includes: (a) economic development through dignified employment of extreme poor women in factories that export home textiles and home decor products to Europe; (b) training and capacity building on issues of VAW and climate change adaptation; (c) health, hygiene and nutrition awareness and health services to women and their families; and (d) early childhood care and development education to prepare children of workers for primary education.

Inspirational NAZIRA!

When asked, "Do you plan to get married soon?" Nazira replied with a startled agitated look, "I am only 19 years old, why should I get married?"

This is the story of Nazira. Who lives in a remote Village named Moamari, Jaldhaka, under the Northern district of Nilphamari, one of the most poverty stricken areas in Bangladesh. Like millions of women in her community, she too, hails from a family living life in bare subsistence.

In 2008, Nazira met a CARE staff, who told her about the training on rug making, and the promise of sustainable dignified income that it held.

After a two-month long training, Nazira began producing 20 to 22 rug pieces on average per day, earning an average of BDT 4,000 or 59USD per month. This was twice as much as her family income! She also bought arable land at \$590 for her family, a cow worth \$150, and trees with resale value at \$290. Additionally she began saving around \$8 on average each month for her own personal expenses and the family can now spend more on food, nutrition, health and education for children. In her community too, Nazira is now an example for others to follow. She has greater voice, and often helps her brother make key decisions.



An artisan producing exportable rugs

Cover Story 2

A Truly Social, Enterprise...

The Problem

There is a common consensus that Bangladesh's highly informal rural marketing system is not inclusive of the majority poor; depriving them access to employment and entrepreneurial opportunities- failing to reach rural Bottom of the Pyramid consumers.

The Solution

The Rural Sales Program (RSP) is an innovative rural marketing-distribution program- training more than 2000 marginalized women as rural sales agents, who sell private sector products door-to-door and earn income from sales commission. RSP ensures women purchase "products-of-need" (soap, sanitary napkins, contraceptives, agri-inputs, etc) from enterprises called Hubs, which in turn procure from MNCs, local conglomerates and rural producers. Paid "service persons" facilitate product lifting and sales, and enhance program quality. RSP follows a sustainable business model where actors, including rural poor women accumulate wealth based on a viable commission structure. CARE facilitates business model initiation, by selecting women to serve as sales agents, providing training on sales and marketing, monitoring sales performance and sustainably developing market enterprises. Private sector companies on the other hand share roles by contributing to costs incurred by the program depending on sales generated, paying commission income to women on sales, distributing sales and promotional materials like catalogues and bags, and absorbing women in to their supply chain as distributors.



An RSP woman lifting products from a Hub to sell door-to-door in rural households

Incremental Benefits for All

In 2009, RSP increased cumulative sales of all partnering companies by more than 200%, while women earned an average of US\$ 18 per month- so their incomes and social inclusion are on the rise. RSP's success has resulted in increased interest within a growing number of new private sector companies who are partnering up with CARE to develop business plans for engagement. This means new, improved and more diverse products for BoP consumers, as well as increased incomes for very poor women.

Spinning-off into a Social Enterprise

In its latest development, with US\$ 1 million investment from Danone Communities (DC), CARE is now spinning RSP off as a social enterprise from mid 2011. CARE will retain 51% share of the new enterprise, while DC will have a share of 49% according to most recent arrangements. The company will apply the RSP model, except that it will operate under the auspices of an independent company, and staffs recruited will not be development workers, but company professionals responsible for implementing and managing the model. It has been envisioned that the new enterprise will create employment and income for 12,000 marginalized women; serve as an alternate marketing-distribution outlet for 1,000 rural Small and Medium Enterprises; bring agri-inputs and information to 10,000 farmers; make products-of-need available to around 2 million rural consumers; and PS are expected to continue to expand markets- a truly win-win scenario!

Presenting RSP at Yale University

CARE Bangladesh is excited to present the Rural Sales Program, which has been accepted as an innovative idea for social enterprise development at Unite for Sight's prestigious Global Health and Innovation Conference to be held between 16th and 17th of April, 2011 at Yale University campus, New Haven, Connecticut, USA. This thought-leading conference convenes leaders, changemakers, and participants from all fields of global health, international development, and social entrepreneurship. The conference convenes 2,200 people from all 50 states and from 50 countries, with key note speakers such as Jeffrey Sachs, author The End of Poverty! CARE hopes to showcase this innovative idea in the conference and explore new business opportunities with global leaders in social enterprise development, including companies and think-tanks.

Highlighting Key Partnerships

WHEEL rolls ahead

CARE B's successful Women's Health Education through Effective Learning project (WHEEL) has received support from the Wal-Mart Foundation and Gucci to continue workforce empowerment programs among marginalized female garment factory workers. Expanding from a one year pilot to a three year program, WHEEL provides life skills, literacy and maternal health training and services to 2500 women working in three factories. The one year pilot project has confirmed that the project is having positive impacts on the participants' self-esteem, health, hygiene and productivity. Factory management has welcomed the initiative, citing improved employee morale and productivity and reduced absenteeism. The WHEEL project serves as a testament to the fact that responsible business makes sense, delivering mutual benefits to both business and the community. In future, the program is looking to expand the program to include technical and vocational training to workers, such that a skilled and productive workforce is created, that contributes objectively to economic sector growth.



A garment worker in a learning center

CARE B partners with Danone Japan to improve health and food security



Children on their garden of joy

CARE Bangladesh and Danone Japan have engaged in a multi-year partnership in order to improve the health, nutrition and food security conditions of marginalized children going to government primary schools; and their families in Bangladesh. Project activities focus on: (a) providing school-going children from marginalized families with education and understanding on improved health, hygiene and dietary practices, (b) promoting awareness and health benefits of consuming nutritional products amongst marginalized children and their families, and (c) a school gardening program to promote gardening practices and nutritional benefits of vegetable gardening. CARE envisions that communities will have acquired improved understanding of better health, nutrition and dietary practices and will be practicing the same at home; children will acquire first-hand knowledge and experience on improved vegetable gardening and will enjoy better health and nutritional conditions.

CARE promotes responsible business in Bangladesh

In early 2011, CARE B, in partnership with Business Innovation Facility (BIF) and International Business Leaders Forum (IBLF) will promote socially responsible business in Bangladesh among 25 strategically selected companies- selection will be based on most promising economic sectors. Supported by CARE International United Kingdom, the initiative will sensitize businesses on responsible business and sustainability knowledge and practices. Civil Society Organization will be trained on how to broker strategic partnerships with the private sector. Finally, a high profile Chief Executive Officers' seminar will be held to propel sustainability leadership in Bangladesh. At the onset, the initiative will assess the existing gaps and opportunities in the country's responsible business landscape.



Participants of Inclusive Business training workshop, 19-20 April 2011, Spectra Convention Center

Highlighting Key Partnerships

Researching Development and Impact of Private Sector Engagement

CARE Bangladesh recognizes the need to invest time and resources to research development programs with private sector companies—such programs are challenging as much as they are promising. The following is an account of innovative partnerships we have secured with some of the topmost research institutions around the world, to unravel the impact of our work with the poor, and to identify improved programming mechanisms that promise embedded benefits for stakeholders at multiple levels.



Researchers from Said Business School, Oxford University

In 2008, Linda Scott, Professor of Marketing at the **Said Business School of Oxford University**, catalysed a £28 000 project with CARE Bangladesh to conduct research on certain pressing aspects of the Rural Sales Program. In partnership with CARE International United Kingdom, the Said Business School is seeking to understand the potential of bottom of the pyramid approaches to alleviate poverty; how the private sector can engage in poverty alleviation; and how women may become empowered through social enterprise development. The first phase of the research is complete and we look forward to bringing you findings when they become available in late-2011.

A team of 4 interns from the **Ross Business School at the University of Michigan** are conducting research and analysis of CARE's work in workforce empowerment in the Ready Made Garments sector of the country from March 17- April 9, 2011. They will develop a business case and set of recommendations for scaling the program in Bangladesh. What CARE ultimately requests is a business plan that will ensure: (a) Long term sustainability of the program; (b) Women's empowerment impacts; (c) Business benefits to factories and buyers; (d) Improvements in the policy environment; and (e) Sufficient marketability within the industry, and perhaps beyond. The goal of this student engagement is establish a solid foundation from which CARE can take this discussion forward.

Shiseido one of the largest consumer product companies in the world and their research partner Kaihatsu Management Consulting, Inc had been looking for a partner organization in Bangladesh to collaborate to support a major research on BOP business in

Bangladesh. In 2010 they got to learn of the depth and breadth of CARE Bangladesh's corporate engagement experience and work with BoP markets. As a result they approached CARE and from May 2011 the consulting company, in partnership with CARE B will conduct research on BoP markets and business prospects- findings, it is expected, will likely be utilized to develop BoP business strategies that promise changes in the lives of the poor as well.



Ross Business School Researchers and garment workers

CARE Bangladesh and CARE International UK lead innovations in measuring the impact of NGO-business partnerships

CARE B and CARE International UK are pleased to announce that we are working with the Overseas Development Institute, UK on the development of tools that will assist NGOs and businesses to measure business and development impacts of NGO-corporate partnerships. As community-business partnerships become an increasingly popular means by which to pursue development outcomes, a constant challenge is measuring the diverse impacts of these alliances. We are expecting that this piece of work will deliver a suite of resources that allow businesses and CARE to easily measure mutual gains and conclusive evidence impacts will help guarantee sustainability of programs, as well as enable more strategic engagement.



Leaders from the Japanese Business Community

CARE Bangladesh Presents PSE in Japan

CARE Japan organized a series of Corporate Engagement Workshops in Japan during February 21 – 25, 2011, jointly organized with E-Source Incorporated, which aimed to bring together practitioners in NGO-Corporate engagement as well as top-notch businesses in Japan to join hands in achieving MDGs and overall development goals around the world. During that time, the Country Director of CARE Bangladesh, Nick Southern, presented at a workshop organized by Council for Corporate Citizenship and share CARE Bangladesh's experience on private sector engagement. The workshop was chaired by Ryoji Chubachi, Ph.D, Vice Chairman, Sony and marked by top 20 Japanese corporations including Toyota, Sony, Shiseido, ANA, Panasonic, etc. The series of workshops were a representation of decades of corporate engagement experience and relationship which attracted many Japanese companies.

CARE B wins prestigious ICT award

In August 2010, CARE B was honoured with an E-Content and ICT for Development Award for its efforts to increase information technology access in the Haor region of North East Bangladesh. Sponsoring organizations D.Net, a leading development research organization for ICT in Bangladesh, and the Government of Bangladesh Ministry of Science and ICT awarded the prize to Economic Empowerment Director Asif Uddin Ahmed at a ceremony in Dhaka.

Monsoonal rains and melted snow from the hills of India leave communities in the low lying Haor region isolated by water bodies for up to seven months of the year. The 'Tothyo Tori' Information Boat project brings internet access and computer training to these most remote Bangladeshi communities. Two boats are operating in the Sunamganj and Kirshoreganj regions. Community members pay to use the computers, using email and Skype to keep in touch with friends and family. A television screens educational cartoons for younger visitors.

The project commenced with the support of telecommunications leader Grameenphone and has continued with the support of Intel, who provide solar panels to power the computers and the television.



Winners of the E Content and ICT for development award

Stop Press!

As this newsletter goes to print, we have heard the the Tothyo Tori Information Boat project has received another award! Manthan South Asia Awards are made by India's Digital Empowerment Foundation for organisations that excel in the use of e-content for development. Tothyo Tori received an award in the 'E-Business and Enterprise' category in recognition of its provision of communications services in the most remote parts of Bangladesh.

This is the first year that Manthan Awards have been made to countries outside of India and we are thrilled that CARE B features amongst the winners. Read more about it here: http://manthanaward.org/section_full_story.asp?id=951

Contact Us

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