



Private Sector Development

- Value Chain Analysis and Development
- Designing Financial Products
- Institutional Development
- Market Scoping and Assessments
- Research and Evaluation

MicroSave
Market-led solutions for financial services

About Private Sector Development

Over last few years, private sector has deepened its engagement in the primary sectors of the economy with an overarching aim of alleviating poverty in developing countries. In doing so, they felt a need for technical assistance on different aspects. To meet this need, the Private Sector Development (PSD) domain was set up within *MicroSave* in 2012 . Through its PSD practice, *MicroSave* provides advice to a broad range of clientele on agriculture value chains development, and financing for basic services like water, sanitation and Hygiene (WASH), housing and energy.

The focus of the PSD domain is on the following **four sectors**, viz.:

- Agriculture & allied sectors
- Energy
- Water, Sanitation and Hygiene (WASH)
- Housing

Our Services

MicroSave's PSD domain's consulting services are organised into **five work streams**. These are as follows:

Mission
Providing market-led advisory services to institutions that provide sustainable solutions for human development in the primary sectors of the economy. We work with private and public actors in the agriculture (both farm and non-farm), water, sanitation & hygiene (WASH), energy and housing sub-sectors.

Value Chain Analysis and Development	Designing Financial Products	Institutional Development	Market Scoping and Assessments	Research and Evaluations
• <i>MicroSave</i> has conducted a large number of value chain assessments. • These include Cereals, (e.g. maize, rice and wheat), pulses (specifically red-gram), vegetables (onion, calamansi, ginger, kale, French beans, carrots, banana), cash crops (e.g. coconut, sugarcane, coffee and cocoa), animal husbandry (piggery, dairy, poultry, goatery) and non-farm products like eri silk and batik.	•Leveraging its vast experience in financial services <i>MicroSave</i> has developed financial products specifically for agriculture finance, WASH , housing and renewable energy • We support development of innovative products and channels	• We streamline business operations to improve efficiency and minimise risks • We help rapid scale-up of business • Supported institutions like Producer Company, community based institutions and MFIs through trainings, capacity building, organisation assessment and donor support	• We prepare comprehensive sector reports for insights and fresh perspectives • We conduct in- depth research to understand markets and case-studies to get a first-hand granular view of the sector • We develop capacities of investees to scale- up and grow sustainably to ensure better returns on investments	• We conduct institutional assessments to identify potential investees • We conduct impact evaluations of development interventions

Work Stream 1: Value Chain Analysis and Development

Value Chain Assessment of Maize and Batik Indonesia



MicroSave was commissioned by an international funding agency to map two value chains with high employment potential – one each for farm and non-farm based activities in Indonesia, in the regions of Java and Nusa Tenggara Timur. The value chains in Maize (farm) and Batik (non-farm) were mapped to

identify financial and non-financial interventions required at different levels. *MicroSave* also explored the potential for mobile financial services to improve the services of the financial institutions and enable financial inclusion for *Batik* producers.

Tracking the Value Chain of Fruits and Vegetables in Sri Lanka

MicroSave assisted one of its clients in the study the existing supply chains of the fruits and vegetable products and explore the financial and non-financial interventions that it can undertake. *MicroSave*, studied the supply chain for major agri commodities (like banana and vegetables) in Uva province, one of the most backward regions of Sri Lanka. Based on the findings, *MicroSave* suggested fine-tuning of financial products to match the needs of farmers and processors, financing the working capital requirements of small traders, an enhanced marketing approach through contract farming and linkages with economic centres, and providing credit for agro-wells.

Our Clients

PSD's services are organised to appeal to a broad base of stakeholders that includes donors, financial institutions, member based institutions , government agencies and Corporates.

Some of our Clients and Partners Include



Value Chain Analysis for Meat and Milk Products in Sierra Leone

MicroSave conducted a study on value chains of cattle and small ruminants for para-statal agency in Sierra Leone. *MicroSave's* analysis brought out value addition possibilities in the existing value chain such as meat and milk, and identified the opportunities for additional value creation through new channels such as the use of hide, skin, horns and other residuals. These measures were expected to improve the efficiencies in these sub-sectors and increase revenues for farmers with small landholdings.

Work Stream 2: Designing Financial Products

Toolkits for WASH Finance



Water.org and *MicroSave* have jointly developed a series of water, sanitation and hygiene (WASH) microfinance toolkits to provide the information and tools necessary for financial institutions (FIs) to develop products for financing WASH investments. The toolkits present essential information, principles and practices for successful development of WASH financial products and are designed to be applicable across a variety of markets, lending methodologies, and business models.

Feasibility Study for Warehouse Receipt Financing in India

MicroSave has advised Annapurna Microfinance Private Limited, a leading NBFC of Odisha to introduce warehouse financing receipt for small and marginal farmers. *MicroSave* was commissioned by AMPL to conduct a feasibility study in the districts of Kandamahal and Phulbani for Chilli and Turmeric respectively. *MicroSave* carried out a needs assessment, risk analysis and management of WRF mechanism. *MicroSave* proposed three models for piloting of the WRF services to AMPL, out of which AMPL will identify the suitable model after completing the piloting of the three proposed models.



Increasing Access to Agri-finance for Farming Households through Product Development

MicroSave provided technical assistance to eight MFIs based in Kenya, Uganda, Ethiopia and Ghana under the project commissioned by African Caribbean and Pacific Countries and The European Union (ACPEU) to develop agricultural finance products aimed at improving access to financing among farming households. The project enabled the MFIs to develop agricultural financing strategies, conduct market research, value chain analysis, and credit product development and establish linkages to agricultural service providers.

Work Stream 3: Institutional Development

Supporting Producer Companies



MicroSave developed strategic business plan for producer companies (PC) - in Maharajganj (Uttar Pradesh) and Beawer (Rajasthan). The two companies are involved in seed production and, aloe juice production, respectively. After three years of incorporation companies were facing challenges of weak sales and

marketing, declining revenues, under-utilisation of capacity, compliance to processes (statutory and manufacturing) and governance. *MicroSave* supported the PCs in developing into a professional business oriented social enterprises by focussing on various aspects related to systems improvement and marketing.

Designing TSPI's Intervention in Paddy Value Chain

MicroSave conducted an in-depth analysis of the different functions in the paddy value chain. It identified the dominant channels, the roles and responsibilities of each of the actors in different channels, the dynamics of value creation in the chain, the proportions of the value retained by each of the actors, margins earned by each and the challenges faced by farmers at both the production and marketing ends. Based on these findings, *MicroSave* developed an integrated intervention approach that TSPI can implement over 3 phases. It proposed setting up a trading entity in the phase 1; drying and storing of paddy in the phase 2 and milling the dry in the last phase. The concept seeks to ameliorate the present economic conditions of the farmers by directly addressing the constraints they face at both the marketing and production stages.

Supporting an MFI in Indonesia for Housing Product

Bina Artha Ventura (BAV) wanted to expand its loan portfolio by offering a credit product for home improvements specifically targeted at the weaker sections of the society.



MicroSave assessed the demand-supply gap for housing finance in this segment across Indonesia. Based on the findings of the market research *MicroSave* developed product attributes for a housing loan, designed processes for credit assessment and credit delivery, Financial and Accounts management, and human resource management systems. It also supported BAV in launching the pilot of the housing product. .

Work Stream 4: Market Scoping and Assessment

Expanding SMEs' Access to Finance for Energy Efficient Technology

MicroSave was commissioned by International Finance Corporation (IFC), to understand the market for energy efficiency finance in India and estimating the potential for financial institutions to build a business supporting Small and Medium Enterprise (SMEs) to adopt energy efficient technologies. The study highlighted sectoral knowledge on the size of the market of energy efficiency finance, existing policies and provided an overview of the current market status. The report also explored the various donors, institutional partners and donor funded programs currently active in the EE space.

About *MicroSave*

MicroSave is a premium consultancy organisation that offers practical, market-led solutions to financial institutions and corporations focussed on bringing value to the base of the pyramid. *MicroSave*'s expertise has evolved from over 15 years of on-the-ground experience in Africa, Asia and Latin America. Our staff members comprise bankers, digital finance specialists, microfinance specialists, MSME specialists, accountants, social scientists, management consultants, livelihood experts, and rural development specialists.

MicroSave offers services across four domains (*Digital Financial Services; Inclusive Finance and Banking; Micro, Small and Medium Enterprise; Private Sector Development*) which is supplemented by four cross-cutting technical working groups (*Training, Research, Responsible Finance, Risk Management*).

We have implemented projects across Africa, Asia and Latin America including: Afghanistan, Argentina, Bangladesh, Cambodia, Cameroon, Cape Verde, China, Colombia, Democratic Republic of Congo, Egypt, Ethiopia, Fiji, Ghana, Haiti, India, Indonesia, Kenya, Lao PDR, Liberia, Malawi, Mexico, Morocco, Mozambique, Myanmar, Nepal, Nigeria, Papua New Guinea, Peru, the Philippines, Rwanda, Samoa, Sierra Leone, Solomon Islands, South Africa, Sri Lanka, Sudan, Tanzania, Thailand, Timor-Leste, Tunisia, Vietnam, Uganda, Zambia and Zimbabwe.

Email: psd@MicroSave.net

Website: www.MicroSave.net

