

THE FEASIBILITY OF A FEMALE VILLAGE
DEPOT HOLDER SUB-PROJECT IMPLEMENTED
BY THE MINISTRY OF SOCIAL WELFARE
AND WOMEN'S AFFAIRS.

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I. EXECUTIVE SUMMARY

A. CONCLUSIONS

1. Distribution needs to be effected which is both adequate to the needs of the depot holder and is efficient and manageable for the distributor (SMP). Of all the options, it is concluded that independent sub-agencies with warehousing facilities at the upazilla level are potentially the most viable.
2. On the basis of cost efficiency, it is concluded that the system of distribution must operate on the basis of the depot-holders collecting products themselves or sending someone to collect rather than expecting door-to-door delivery.
3. There appears to be no real alternative to SMP as the main distributing channel though, for non-SMP products, other supply services may be needed.
4. The product mix of the depot holders is likely to be a function of total income generating capacity. It is concluded that products other than FP or ORS would be needed to give adequate income. The product line could be totally medically related or could include products needed at the community level, such as candles.
5. On balance, it is clear that a system based on entrepreneurship is the most likely to succeed. Such a payment by result scheme would also need incentives to stimulate the informational aspects of the depot holder's role.
6. The clear precise definition of the FVDH role is key to the development of the training, supervisory, logistics, support and evaluation systems. Further work needs to be done and consensus reached as part of the project planning.
7. Criteria for selection were initially constrained by attempts to use Women's Affairs Division trainees. To select FVDHs who would be aggressive sales and promotion agents, women who have a higher level of education, literacy, work experience, standing in the community and with perhaps less child-rearing responsibilities, should be considered.
8. The training and re-training schemes need to be carefully developed/adapted to prepare FVDHs in promotion, sales, motivation, proper use, stock and storage. Training materials to reinforce lessons are needed. Training of managers is also identified as a need.

9. The mobility of the FVDH candidate should be studied to assess potential coverage; it crucially affects expected income, determines extension of coverage, both within villages and along "trade routes."

B. RECOMMENDATIONS

1. The concept of the depot holders, especially if motivated by profit and other incentives, is a potentially viable proposition and the team recommended that USAID continue to pursue it as an objective.
2. The team recommends that the Women's Affairs Division is not the implementing agency for such a project, although some of the women trainees could be tried as depot holders within another operating system.
3. It is recommended that, since SMP are already active in examining the issue, they remain the key options for implementation. It has been shown that, under most circumstances, SMP would need to be heavily involved in distribution and so logic dictates that, especially since the scheme has a sales orientation, they are the most suitable candidates for project management.
4. It is further recommended that SMP look closely at the experiences of other similar schemes (which they may have done) and also give serious consideration to all the issues and options raised in this report with the objective of preparing a detailed project design.
5. A one-year pilot study is recommended, which has an experimental design using appropriate operations research to establish the most viable alternatives for the following:

Entrepreneur vs. Salaried
Specially selected recruits vs. WAD Trainees
Fixed product mix vs. Product mix self-determined

6. The results of the pilot should be thoroughly examined in order to determine whether the project will be continued and, if so, the revised design should be incorporated in future plans.
7. In the team's review, there is much scope for informal qualitative research to investigate attitudes and behaviour at the community level. For example, a small roving team could look at what the trunk ladies have for sale, and could assess, by discussion, what is needed at the community level. It is recommended that serious consideration be given to looking at a range of such issues.

8. The team recommends that considerable concentrated work be invested in the clarification of the role of the FVDH as one of the initial stages to project development.
9. The team recommends that a new effort to study/define the selection criteria, without the pre-established constraint of using WAD trainees, be undertaken. Bangladeshi women success stories should be examined to identify factors which most closely relate to projected positive results.
10. The team recommends that contacts with institutions be made, previous and on-going training schemes be reviewed at the initial stages. Training them can be developed/adapted to practically train FVDH in skills-based learning experiences. Short training courses supplemented by periodic retraining is preferable. Managers should be trained first, and then participate in FVDH training as instructors. The experiences and expertise available in similar Bangladeshi programs should be incorporated in the development of FVDH training.
11. The team recommends the mobility and "placement" of FVDH be studied extensively as a key determinant to extension into rural areas. Both current and projected future mobility should be assessed.

II. INTRODUCTION

A. BACKGROUND

This report originates from a project profile prepared by the Ministry of Social Welfare & Women's Affairs (MSWWA). The Women's Affairs's Department (WAD) within the MSWWA was proposed as the implementing agency for a project referred to by them as-- "Evolving Community participation on MCH and FP program through vocationally trained women." The objectives of the project were specified as:

- * educate the vocationally trained women of the community on the use of safe delivery kits and minor ailments of children;
- * disseminate this knowledge to the Target women population through the trained women;
- * promote income generating activities by appointing these trained women as sales representatives of the safe delivery kits; and
- * use these women as depot holders of contraceptives.

USAID was asked by WAD to consider this project. Population and Health at USAID was interested in the concept particularly as it paralleled a scheme they had asked SMP to investigate. However, USAID perceived the project from a slightly different angle with emphasis on oral rehydration therapy and to a lesser extent on family planning as part of the overall child survival strategy. Furthermore, the WAD focus was on the income generation with a spin-off in health and FP while USAID saw it as potential health and FP improvements via an income-generating activity.

B. SCOPE OF WORK

USAID has already been instrumental in requesting SMP to seriously consider setting up a depot holder system within the social marketing framework. SMP are of the opinion that the terminology 'depot holder' is too passive and implies that the incumbent remains static in her own home. SMP envisages a more active woman who can 'churn the market place' and have hence coined the phrase 'community based sales' (CBS). The consultants have the same view, but since the terminology of depot holder is well established, have retained it throughout the report.

The original scope of work for the consultant team (two persons) envisaged a single visit consultancy culminating in a sub-project design which USAID would incorporate in their FPHSP 1987 - 1991 document. As part of the original scope of work, USAID had asked the team to investigate the introduction and feasibility of distributorships such as AMWAY, AVON and Mary Kay models adapted to the Bangladeshi context. After the team's arrival in Bangladesh and

discussions with USAID health and population officers, it was decided that a two stage consultancy was more appropriate as follows:

Stage 1. An investigation of the project's feasibility with specific reference to its implementation by the MSWWA. No assessment of alternative implementing agencies was to be made during the first visit. It is this task which is being reported in this report.

Stage 2. In the event the consultant team reports that the project could viably be implemented by the MSWWA (and with USAID concurring with that view), the second stage/visit would develop the sub-project design.

C. THE DEPOT HOLDER STRATEGY

As will be evident subsequently in this report, extensive coverage at the community level can have fairly dramatic impact on both consumer awareness and prevalence. For example, the BRAC intensive OTEP program to promote ORT through lobon-gur solution (LGS) has been outstandingly successful in creating awareness if not usage. Other intensive, though localized, efforts by NGO's such as ICDDRB and RDRS have yielded promising reductions in infant mortality rates and contraceptive prevalence.

However, each of these approaches has some basic limitations. The BRAC OTEP program, for example, is a one-time operation in each village. Follow-up visits, apart from the visit by the monitoring team to evaluate the extent of knowledge, are not part of the program. Nor is there any activity related to propensity for use. These limitations are not put forward as criticisms but simply to illustrate that while BRAC has an admirable record in what it sets out to achieve, ultimately the objective has to be proper use. Similarly, projects such as the Bari Mothers in Matlab and RDRS have geographic limitations.

Thus, it could be argued that the ideal objective would be to somehow transpose these private, localized approaches on a national basis. Clearly, there are enormous financial constraints on such a prospect. For example, the RDRS health and population component costs \$0.6 million per annum for 6 upazillas, (equivalent to \$45 million for a national program), and this is without commodity costs. The provisional SMP depot holder system is projected to cost \$3 million per annum for 50 upazillas (including commodities) giving a national equivalent of \$27 million per annum. Furthermore, even if such coverage were financially viable or organizationally manageable, it is unlikely that the Government of Bangladesh would react with overt enthusiasm to such intensive coverage in rural areas. Certainly, the GOB recognizes the need, however, the Government also must attempt to impose some management/control over a large number of private organizations in order to form a mosaic of relatively uniform services to rural populations. Undoubtedly the GOB is concerned about the balance of private vs. public channels

for program funds and activities and wishes to maintain a strong face to the rural communities of playing a key role in the provision of services. Thirdly, the GOB is aware of sustainability issues especially if they imply picking up the funding of salaried workers or continued provision of medical supplies from PVO efforts which are phasing down. This undoubtedly causes some caution in their approach.

D. CONSULTANT ACTIVITIES

Before reaching conclusions, the consulting team conducted a number of interviews and field visits. Most interviews were designed to establish the pitfalls of such approaches as well as to gain insight into effectiveness, training, supervision, costs and so on. Such information is not reported on a case by case basis. The complete list of interviews is given in the Apperdix.

The field visits were particularly important as they enabled the consultants to assess for themselves organizational reality rather than the 'official line.' A major element of the study included the assessment of the management and supervisory capacity of the WAD at the district or upazilla level. Though constrained by time, a number of such visits were made and the team was cordially received; discussions were open and frank. Furthermore, all documentation requested by the team was made available.

E. SUB-PROJECT OBJECTIVES

The hybrid suggested (a sales based depot holder who receives incentives for instructional success) appears to be appropriate for the next stage of consideration in Bangladesh. This mixing of a profit model with an instruction model will have to be carefully planned with operations research used in the early stages to study the early results of implementation. One profit model which uses distributorships, such as AMWAY, stimulates several levels of sales agents/personnel with incentives in a tiered/pyramidical profit arrangement. For example, a Central Carrier (high level in the tiered arrangement) not only can sell directly to clients but can recruit, train and supply a number of distributors and direct sales persons. The Carrier's profit is stimulated incrementally in these systems because she/he receives not only a percentage of her direct sales to clients but a percentage of the sales of each distributor and salesperson which she/he recruits, trains and supplies. In addition to the carrier receiving a given percentage of direct sales to clients, the carrier also receives a given percentage of the sales of distributors and a percentage of the sales of the salespersons with whom those distributors work.

It is more profitable for carriers not to focus on supplying clients directly but to train and supply a network of distributors because the carrier receive a percentage of the profit of sales from each of "their" distributors and their distributor's salespersons. The distributor, likewise, can sell directly to clients and to

their salespersons; they receive a percentage of the profit from each sale directly to clients and a percentage of each sale by "their" salespersons. The relationship to the company is less strong than, for example, Mary Kaye, because each level provides training and supplies to the next level.

These systems rely heavily on personal relationships between levels of the structure, informal support from more experienced distributors and salespersons and the profit motive of incremental profit for developing a larger network for sales.

The Mary Kaye model is somewhat different from the AMWAY system just explained. The relationship of the salesperson with the company is more direct. The company pays salespersons to train and recruit other salespersons and then pays a bonus of a percentage of the "recruited salespersons" monthly sales to the "recruiter" salesperson. The company acts as a middleperson in the transaction. The salesperson is paid to attend conferences and is required to keep a number of clients which she/he serves directly. This is done so that no matter how active a salesperson is in recruiting other salespersons, (and how large a network she/he has) she/he still has direct interaction with the clients on a regular basis.

To resolve the issue of the margin of profit needed to make the ORS and FP items a viable possibility, without heavy subsidation, requires calculation of adequate profit to stimulate sales and allow each tier of the system to receive their percentage of profit (as in the AMWAY model) without pricing the product out of its market niche. This is especially crucial in Bangladesh where the profit margin amount possible for ORS and contraceptives was calculated by the consultants to be small and thus perhaps inadequate to be shared by several tiers of sales personnel (central carrier, distributor salesperson).

The Mary Kaye model, with less tiers in the pyramid getting a percentage of profit would appear to be more appropriate to resolve the profit margin issue. To address the incentive vs. instructional success issue, again, the Mary Kaye model in which the company pays sales personnel to be trained and pays the recruiter sales person a bonus of a percentage of the "recruiter salesperson" could be considered as a model for Bangladesh. This still addresses the sales aspects but the consultants consider that a similar incentive could be structured for instructional success. This would be more difficult; the criteria for evaluation would need to clarify whether reiteration of message/instruction, initial use, initial correct use, correct sustained use on other behaviors would be the criterium of the end, measurable result of an instructional success.

During the course of the consultancy, it became clear that the objectives of a viable depot holder system had to be clearly understood in the event that the WAD proposal was rejected. In setting out this broad framework the consultants were able to deal

with, or at least identify, some of the issues that need to be addressed under such a viable scheme. This entailed further contact with USAID to get a clear statement of their objective, which may be summarized as:

"to implement a community-based system of sales based on the concept of a female depot holder who through her sales activity could improve access to FP and ORS and to promote the proper and continued use of these products."

This statement needs considerable clarification since it defines the boundaries within which the depot holder must operate, thereby determining the way in which their activities need to be controlled. Access is necessary to use but does not guarantee it. Two key words are 'proper' and 'continued'. Without these, the role would be 'to promote the use of' which is totally different. A sales person dealing with only the retail trade requires a different range of skills than a salesperson dealing directly with the end user. The retailer sales person uses his sales skills to persuade the retailer to buy his products and has at his disposal persuasive elements such as discounts, special offers, profit and so on. Most often such a person will be able to inform the retailer that his company has a heavy promotional campaign which will increase demand.

In contrast, a Salesperson dealing directly with the end user has to have more skills. Not only does he need to persuade the potential buyer that the product is reasonably (or competitively) priced, but he needs to convince him that the buyer is advised to use it either for material or physical benefit. In the context of ORS, a good salesperson would thus promote the product on the basis that the customer or their child would be well advised to take the product for a diarrheal attack. Furthermore, a good salesperson would give guidelines as to how the product has to be used simply because no one wants a dissatisfied customer. This person is then promoting the use of a product to ensure he or she gets a sale and to some extent promotes proper use.

The next issue of concern is continued use. Clearly increasing the availability removes one of the problems of lapsed use. But as part of a good salesperson's approach, he or she will make a mental note of the new customer and on their next visit prompt them to give information about its effectiveness and, of course, endeavor to make another sale. Usually a 'Sales only' approach fails when a product has unsatisfactory results for example, in the use of OC's, a woman may stop using contraceptives because of some side effect. Thus in meeting the USAID objective of continued use, the salesperson needs to have some background knowledge of what can happen, and moreover what to recommend if it does happen.

Finally, proper use is important. ORS and OC's clearly can be improperly used and thus USAID believes that 'promote use' should be 'promote proper use'. This implies that the depot holder needs to be thoroughly aware of the elements of the proper use and must

convey these elements to the customer. This is an element which goes beyond normal sales skills and needs to be integrated into the scheme either by relying on the 'public spiritedness' of the depot holder or on some related incentive scheme.

The semantics and interpretation of these elements are vital. The relative importance attached to sales versus instruction can change the whole concept in operational terms. Emphasis on the first means the system can be driven through a profit motivated mechanism; emphasis on instruction can mean a paid worker system. The alternative which may be more appropriate, is one in which the depot holders are not paid workers but make their money on sales with an incentive scheme related to instructional success.

III. ISSUES RELATED TO THE FVDH ROLE

A. ROLE OF THE FVDH

The definition of a clear, detailed, well thought out description of the role of the FVDH is one of the most important tasks in the development of the FVDH Scheme. From this defined FVDH role the systems of training, supervision, logistics, support and evaluation are developed.

The Womens Affairs Division (WAD) presented a preliminary description of the FVDH which included the following responsibilities:

1. Maintain a physical presence within a village, available to villagers at all times night and day.
2. Maintain a stock of basic health items, i.e., safe birth kits, FP supplies, ORS packets, usually in addition to other small items for domestic purchase.
3. Provide basic health education, especially related to family planning, diarrhea treatment, and use of safe delivery kits.
4. Identify new areas for expansion and promote sales of products in these areas.
5. Obtain from a supplier, adequate amounts of the basic list of supplies.
6. Maintain simple, adequate records of sales and promotion visits.

This FVDH role and these responsibilities were not (as originally conceived in the WAD proposal) a full time job. The promotion and sale of these items were to be as part of a larger number of items, or as one of a number of income generating activities in which the woman is involved.

Further discussions in Bangladesh changed the focus at least temporarily, to consider a strong, broader health education and motivation component in addition to the woman's sales, stocking and recordkeeping responsibilities.

The definition of the role of the FVDH continues to evolve, however, the team believes that the primary emphasis should remain on sales, the motivation and education related to sales (which includes some health information), and the stocking and recordkeeping of these basic items: FP, ORS, safe delivery kits. This allows the development of a profit motive which is compatible with the income generation scheme put forth by the WAD.

B. CRITERIA FOR SELECTION

Once the FVDH role has been clearly stated and responsibilities defined, the criteria for selection can be established. Once again, the original WAD project profile appeared to set forth the type of women already being trained in the WAD training centers as candidates for the FVDH role. At present, the WAD selection is based on need: often destitute women, widowed or divorced, not of particularly high standing in their village, perhaps illiterate or with only basic literacy. A subset of ten women, usually from WAD groups of fifty, were to be selected as FVDHs and offered sales, promotion, and recording skills when the other groups of ten women were being taught sewing, weaving, etc.

No special criteria for selection had been established for candidates for the FVDH training. It was the team's initial understanding that the FVDHs were to be selected as any other WAD trainee would be selected. However, after later discussions it was established that the criteria for selection need not be limited to WAD usual criteria. This decision allows the selection to be defined in light of which qualities/criteria are needed to fill the role and responsibilities of a successful FVDH. Therefore, the selection of candidates should be elaborated based on the responsibilities defined in their role:

1. Those available to the community on a continuous basis.
2. Those with the facilities to maintain a stock of basic health items, in an area of "commerce" where community members come to purchase items of daily need.
3. Those with the capability/interest to promote and sell these basic health items.
4. Those who can promote sales of these items, which would include basic information regarding the items.
5. Those able to identify and serve a reasonably adequate sized area of sales.

6. Those able to mobilize themselves or others to regularly obtain and maintain an adequate and regularly available stock of basic supplies.

7. Those able to maintain and verify simple adequate records of sales.

8. Those able to maintain a sufficient cash investment in stock to maintain an ongoing, reasonable sized group of purchasers.

C. TRAINING OF FVDH

The training scheme for the FVDH was not defined in great detail in the original WAD project profile document. In general, it was anticipated that groups of ten selected women would be trained in a FP/OC sales and promotion tract within an income generation tract just as groups of other women were trained in weaving, sewing or other tracts.

In brief, the current WAD scheme trains approximately 40-50 women in more than 100 centers, located in Upazillas and unions. Training lasts six months or one year, combining life skills and health and family welfare information with trade skills in four tracks, i.e., sewing, weaving, pastry making; to date, training has not emphasized sales or marketing skills to teach women to market the items they produce. After the training the women are given a 1000 Taka loan. The training has not, to date, directly trained the women to plan for, and handle, the activities which they generate with the loan funds.

If the scheme is developed under the SMP system and if the decision is made to train FVDH with specified responsibilities and with sales and promotion as their primary focus, a training program, curriculum and schedule will need to be developed. It may be considered that it could be simply contracted out to a community development (CD) or other training agency to train them as they would their own workers. Since the objectives and emphasis of this program is different from a strictly CD one, the development of specific curriculum and training schemes is needed. This implies the investment of time and adequate resources to develop or adapt a training curriculum and training materials which would address this focus. It more than likely will entail also the training of a number of trainers to be able to impart this knowledge and skill to the FVDH. This entire process from needs assessment, definition of responsibilities, curriculum and materials development, training of trainers to the training of FVDH, need not be a lengthy endeavour; nevertheless, each stage of the process should be adequately dealt with.

At the beginning of training the current knowledge and beliefs should be examined briefly to identify any major constraints. Training content would provide some basic elements: a) simple,

clear, adequate information on products; b) methods of promotion and sales; c) elements of recordkeeping; d) stock "purchase"/obtaining; e) methods to define areas to be reached; f) adequate methods for product storage and maintenance; and g) resolution of simple difficulties in obtaining, maintaining and promoting products. Training should be pragmatic, interactive, and adapted to the level and needs of the trainees; practice sessions may be incorporated. Information should be imparted as well as the motivation to promote and sell the items.

Training should be short, taking in the constraints and attention span of trainees; probably a 3-4 week initial training period should be considered. It may be better to schedule follow-up sessions to continue to train and motivate FVDHs and help them to overcome difficulties and circumstances as they develop their sales and promotion area. The information gained from these FVDH allows SMP to consider early adaptations to the program.

D. TRAINING OF SUPERVISORS

In a strict SMP system, a generally accepted supervisor person and system does not exist. The incentive is based on profit, and the control that is exerted is to assure stock quality, control and accuracy of funds, etc. The team envisages either a dual purpose supervisor in the FVDH scheme who provides some guidance to the FVDH, observes and reports on progress and sales, and who assures the flow of supplies to the storage area at the Upazilla and Union levels, or a sales manager who focuses on sales and promotion and provides less guidance.

It would seem to be more appropriate, since this effort is to be watched for its implications for later expansion, that extra guidance by the manager be given in the early FVDH development stages.

The role of the supervisor/manager should be clarified before training begins. Ideally these managers would be the trainers, or would be involved in the training of the FVDHs. It would be appropriate to include some women managers to facilitate communication with FVDH's.

Considerable resources for training exist in Bangladesh which can be used in the development of training courses and materials. Current training schemes and materials can be studied and adapted to the FVDH scheme. Either the development or adaptation process should be based on the clear definition of the FVDH role and should be guided by SMP staff input.

E. MOBILITY AND COVERAGE

The mobility of the FVDH is a crucial factor in the expansion of FP and ORS products. Currently the average Upazilla or Union woman appears to have a relatively small area in which she mobilizes. Her presence in markets, commercial areas or other

crossroads of marketing and sales is painfully absent. Given these limitations at present, a trained and motivated woman can be expected to "mobilize" to an average area covering 150-200 households.

Initial promotion to make community women aware of the availability of the products can be undertaken during the initial stage. If the woman is already set up as a "Trunk Lady" type of retailer or if she is assisted during the project to be able to stock and sell other items, she can promote sales when customers come to her on a daily basis.

If the usual WAD trainees are used, their mobility may be more constrained by child care responsibilities, as widows or abandoned wives and mothers. If other candidates can be chosen, the Team recommends considering the use of more mobile women, which may be related to educational level. The mobilization of the FVDH to collect supplies at a Upazilla or Union level may be handled by her directly or by the husband or another appointed person. The advantages of her direct mobilization to a central point include closer management, ability to provide additional training and assistance, and the gathering of fuller information on program mechanics, problems and progress.

In addition to the FVDHs coverage in her immediate area heavily influenced by her mobility, the issue of overall coverage of the FVDH system should be addressed. If trainees from the WAD are chosen, they appear to be clustered fairly tightly around the WAD Upazilla training center in order to be able to travel there daily. This restricts at least the initial FVDH coverage to an area around the Upazilla center leaving more distant areas without coverage.

If, in a later stage, the FVDH were able to recruit others to promote and sell the products, the coverage of larger and more distant areas should be anticipated. If other candidates were chosen who were already more dispersed throughout the Upazilla, the project could expect an earlier, broader overall coverage.

Further investigation of existing structures, public and private, should be done to maximize existing networks to expand coverage.

IV. ISSUES RELATED TO MARKETING

A. DISTRIBUTION

Any project at the community level, even within the immediate nucleus of the supply point hinterland, poses real problems in Bangladesh. The government system is accessed at the Upazilla level but support beyond that is difficult to maintain especially during the monsoon. Similarly, for commercial viability, SMP need to maintain their system at the 'market center' level which may be pulled inwards to these market centers to collect the supplies of their product line which may or may not include contraceptives and ORS. To supply retailers at all levels would be inconceivable. Few

would dispute that availability is a constraint in both the public and private systems and hence the concept of a community based distribution system, on the face of it, is attractive.

One attraction of the scheme proposed by the WAD is that they have good geographic coverage which includes 136 upazilla/district offices as well as a number of other union based offices related to NORAD and CIDA projects. Clearly, in theory, these could serve as the warehouse service points for the communities around them. Thus the bulk supply to that level is simplified. It does not however solve the supply problem beyond that point and therefore does not solve the issue which has been the foremost problem in the past. But there are additional problems. First of all, these premises may not have 'secure' facilities or indeed space. Secondly, they do not have the administrative services necessary to maintain an inventory system.

This focal point in the distribution chain is essential. Apart from WAD other alternatives exist. It would be possible to set up a upazilla-based individual who maintains adequate stock in his or her own home. This is akin to the RDRS practice in which their Community Health Workers ensure that the RDRS depot holders (Shasta Shebok) are in stock. The disadvantages of such a system are space, security and appropriate physical conditions in the home. Furthermore, this person would need to be on the payroll.

A further alternative, assuming that distribution is put in the hands of SMP, is to use the existing stocklist of SMP. SMP would almost certainly, and rightly so, reject such a scheme for two principal reasons. First, the existing infrastructure of stocklist-retailer would be averse to 'competitive' activity. Secondly, inevitably the profit margins would be different (and possibly free to the depot holder) and hence this could be administratively confusing and open to abuse.

In the team's view, however, the most attractive alternative is a system independent of any existing structure (including WAD centres) and would involve the appointment of a local upazilla trading organization with warehousing facilities to act as the regional depot. This depot would provide clerical inventory services and be open to the depot holder to collect supplies either by herself or by her representative (husband). This agent depot would not be in the business of medical products to ensure that no conflict of interest occurs. He would be paid a fixed annual fee for use of the facility.

Amongst all alternatives, the system is driven by the willingness of the depot holder to collect or send someone to collect her own supplies from the regional depot. It has to be accepted that this may lead to problems, especially during the monsoon but the overriding principal is that, like the small outlying retailers, no product means no sale and no profit. The

mechanism is thus driven by the profit incentive. Since the regional depot is likely to be staffed by men, this may limit the depot holder willingness (or husband's permission) to travel.

A basic problem which has to be recognized is that any system which requires travel to upazilla center is not strictly a community-based system. It certainly services the community (or villages) within reasonable access and is rural. However, in the short term at least, it cannot serve all the villages. The WAD training scheme itself requires women to travel each day into the training center and hence their home base is usually within reasonable proximity. The WAD union-based schemes are more geographically attractive. However, this access problem applies to all the alternatives since supplies have to be maintained by collection rather than delivery.

One possible future scenario, assuming income-generation is sufficient, is that the depot holder establishes her own system of sub-depot holder. This is very much the method of distribution adopted by Avon, Amway and May Kay. If the depot holder has, for example, 1 taka margin she may extend her geographical coverage, give her sub-agent 0.8 taka and keep 0.3 taka for herself. The principal being that 0.3 taka is better than zero taka.

It should be noted that discussions with the WAD showed that in the event that WAD became the implementing agency, then they would rely on SMP to arrange distribution. There have already been discussions between the two organizations on this issue. From the team's observations it would seem that both had (initially at least) a slightly different viewpoint. WAD's view was to leave the issue of distribution and depot holder supervision/control to SMP; SMP was inclined towards simply supplying product to WAD and thereafter everything was in their hands. SMP envisaged WAD as a sales point comparable to the direct sales arrangement with RDRS.

In conclusion, the team believed that irrespective of the overall project management, SMP is the focal point of the distribution system. Since the driving force is free enterprise, it would be inappropriate to involve any public sector authority in the distribution. Thus there would appear to be no viable alternative to SMP. However, SMP cannot be expected to take their lines of communication into the community and so, even if WAD managed the project, SMP would need to establish a regional depot. The team's recommendation would be a warehouse arrangement with the depot holders responsible for their own collection.

B. PRODUCT MIX

WAD's objective is income-generation and their proposal is to train a number of women in sales techniques to enable them to establish themselves as small entrepreneurs building a range of products which would generate a good income. Most of the WAD recruits are in poor circumstances and most usually they are the breadwinners. The capacity to sell would therefore be a trade

taught by the vocational centers in the same way as they teach women to weave, sew or otherwise. On completion of the training, they would be provided with a capital of 1000 Tk repayable by weekly installments in the first year. This would provide them with the capacity of purchasing stock. Consequently, these women are in a better position than depot-holder recruits from other sources.

As the following section will relate, family planning and ORS could not in themselves generate adequate income to make the business sustainable. The depot holder will therefore develop a range of products which she herself feels are needed in the community. Products which immediately come to mind are matches, thread, candles, betel nuts, kerosene and so on. The question then arises as to whether the sub-project structure could assist her to obtain supplies. For example, it is not beyond the realms of possibility for SMP to purchase candles in bulk and make them available at a cheaper price than she could otherwise obtain them. Such questions are dependent on the extent to which the project is prepared to assist the depot holder to remain in business.

The RDRS scheme of the depot holders provides them with ten products which include, apart from FP and ORS, such things as iodine, neem soap, ointments and de-worming tablets. So far as is known, even by RDRS, no non-medical products are retailed. But this is an unusual scheme which is based on an overall group program in which the individual's depot hold activity is monitored by the Group committee. The depot holder must keep within the RDRS guidelines. It is possible that a similar scheme could include other medical products such as sanitary napkins and it may be possible to get support from the drug manufacturers who also may be interested in extending distribution.

Aside from these 'peripheral' products, it must be determined which health and family planning products should be stocked by the depot holder. Clearly, USAID's interest in the depot holder scheme is initially primarily based on ORS. Not only do they want to increase use but they want to ensure that use is effective and proper. The promotion of ORS packets by the depot holders is a source of concern to BRAC who has genuine worries that this may act against their lobongur solution activity. This problem needs to be addressed. One possibility is to encourage the depot holder to stock lobon-gur ingredients (salt and brown sugar). Under such circumstances, her sales instinct will incline her towards selling either ORS or salt/sugar.

WAD has a keen interest in supplying safe delivery kits through the depot holders. This is a very appropriate channel to do so. Again it is a product supplied by SMP but, conceivably, a localized cottage-industry could be activated. This in fact is the manner in which the ICCDRB, Bari Mother's Scheme is supplied. Of course, demand is limited to the number of births within the community (about 17 per 100 eligible couples per annum) and presumably, in the event of increased contraceptive prevalence, will decrease over time.

Two contraceptive products - OC's and condoms - are potentially within the scope of the depot holder. There would appear to be no question that OC's seem to be a viable proposition and probably both normal and low dose versions should be available. Condoms are a more complex problem. As it is a male device, it may be more appropriate to leave it to the men to buy from other men (SMP retail outlets). Women clearly do obtain free supplies of condoms from the clinic. However, how willing would they be to buy them from a neighbour? The clinic is an impersonal place and normally the recipient has no personal connection with the issuing person. There is a major difference between pills and condoms in that condoms are purchased on the basis of coital frequency and this may be embarrassing in the local community. Furthermore, condoms are prone to storage problems. In the Consultants' view, it would be appropriate to research this.

SMP is concerned about branding their products since new outlets, particularly if supplied free or subsidized, could work against their good relations with the retail trade. Re-packaging for a specific channel involves many issues which are best addressed by those who are most familiar (that is SMP). One point which they may like to consider is that a free supplied product packaged in the same way as a paid product can be abused. It would, for example, not be beyond the bounds of possibility for a depot holder to 'sell' to a retailer thereby relieving him of the need to pay SMP prices.

In conclusion, the product mix needs to be looked at more closely. The team firmly believes that FP and ORS will not by themselves sustain an active business. Research may need to be done. The WAD may have information about their own projects. One possible scheme would be to investigate what is in the trunk of the so-called "trunk ladies".

C. PRICING, PROFIT AND REMUNERATION

Amongst the depot holder schemes both operating now and in the past, only the RDRS system is on a payment basis. The Bari mothers and the defunct NORP scheme were free issue. Hence the RDRS experience is the best available. This has two components. First, they have female health workers who in their home visits act as motivators and have products for sale. Products are purchased from SMP and made available to the user at no mark-up. Secondly, they have a newly instituted (this year) system of depot-holders referred to as 'shasta shebok' who make their money by selling ten medical products. The price is fixed by RDRS and is slightly over that provided by SMP. The source for non SMP products was not raised.

RDRS DEPOT HOLDERS - PRODUCT PRICES

	Cost to D.H.	Cost To User	% Margin
Maya	1.20	1.25	4%
Ovacon	3.20	4.00	25%
Condoms	0.16	0.25	25%
S.D. Kits	4.50	5.00	11%
Iodine solution	0.40	0.50	25%
Neem Soap	0.80	1.00	25%
ORS	0.85	1.00	18%
Eye ointment	2.20	2.50	14%
Ointment(s)	1.21	1.50	24%
De-worming	1.10	1.50	36%

The system operated by RDRS at the depot holder level is estimated by them to give the depot holder approximately 50 taka per month. They are optimistic that this will increase. However, they have no information on the relative sales of OC's, condoms or ORS. They do, however, have records about the total sales of these products by the female health workers. This is the best information there is about products purchased at an economic rate at the community level. These can be used to estimate the likely sales value of a 200 household territory as follows.

ESTIMATED SALES - INDIVIDUAL FHW RDRS SCHEME

	Total Annual Sales <u>150,000 h/h</u>	<u>cyp</u>	<u>%</u>	Total Monthly Sales <u>200 h'h</u>	Monthly Sales Value at SMP <u>Prices</u>
OC's (cycles)	70,249	5404	3.6	8	21 **
Condoms (pieces)	79,809	532	0.4	9	2
Safe Delivery Kits (25,000 Births)	10,000	-	-	1	5
ORS *	230,000	-	-	26	<u>26</u>
					<u>54</u>

* Various projections give a total of 23 million packets of ORS used nationally. The RDRS area is approximately 1 million persons i.e., sales given as 1% of total national. This is an overestimate since some will be free.

** Assumes 50% Maya, 50% Ovacon.

While such data are not a perfect indicator they are the best available. They show that if these women received any cash return (which in this case they do not as they are paid workers), working on a 25% margin they would have earned a profit of 13 taka for covering 200 households. This is clearly inadequate to support any viable system. There is no information available as to what constitutes an adequate amount but certainly the evidence of these data points to free supply to the depot holder which would at least give them 54 taka per month.

Of course, pricing could be more liberal and based on what the market can bear either on an individual depot holder territory basis or taking the average situation. In discussions with various bodies, it would seem that ORS packets could reasonably be sold for up to 2 taka. Probably the best rule is to ensure that products are priced marginally less than in the retail stores.

The major issue on payment remains whether the depot holder can as an entrepreneur develop enough income, or whether she needs to be a paid employee. WAD is more interested in the former and this would appear to be the most practical route to take, though some experimental work may be necessary. Any system involving staff becomes a management burden. One driven by profit is less complex and probably more cost effective.

As is already indicated, the USAID objective would imply that some incentive be built into the system to stimulate the depot holders into going beyond their 'normal' sales promotional activity. Most incentive schemes are based on simple measurable criteria such as volume above target, average sales per household and so on. Such measurements would not, for example, cover extending 'proper instructional' capability. BRAC operates a system which involves a grading system of payment to the OTEP worker dependent on the monitoring team's post (month past) evaluation of a 5% sample - ranging from 4 taka for a grade A to 0 per grade D.

At the present time, within the time constraints imposed on the team, no detailed examination of alternatives is possible. One possibility, however, is to have an annual bonus calculated on the basis of a supervisor assessed visit to a sample of households within the depot holders area. This could be best effected by a standard questionnaire along with a mixing experiment. Such a scheme would need to be checked.

In conclusion, it is the team's view that the most viable scheme is one which the rewards are based on effort backed up by a practical incentive scheme. A decision needs to be made regarding the price paid by the depot holder, but in the team's view, a free issue to the depot holder would seem appropriate.

V. ISSUES RELATED TO PROJECT MANAGEMENT

A. STRUCTURE OF WAD

For the purposes of the investigation, it was more important to examine the Women's Affairs Directorate organization at the regional level. Outside of Dhaka, its structure takes three forms.

1. WAD's own projects are handled by 136 district/upazilla offices manned by a supervisor responsible for numerous activities including, where appropriate, management of the vocational training scheme. To date, 46 districts/upazillas have an active training scheme. The remaining 90 have been held back due to lack of trainers.
2. CIDA projects are organized at the union level, supported by the Upazilla. Currently, there are 20 Upazilla with 5 union offices in each. Vocational training is part of the program.
3. NORAD projects are also at the union level, but apparently without upazilla support. There are 38 such unions involved in vocational training.

The WAD has a good regional dispersion however, the supervisory staff level is inadequate to cope with an additional subproject. WAD realizes that new supervisors would need to be recruited.

B. RELATIONSHIP AND ATTITUDE OF DONORS/NGOs TO WAD

The team felt it important to assess the capability of WAD to implement the project in two ways. First, discussions were held with NORAD, UNDP, USAID and others to establish a general view. Second, the team made its own investigation at the field level both for WAD projects and others such as BRAC, ICDDR, B and RDRS.

NORAD has an on-going program with WAD in 38 unions. They are not totally satisfied with performance and relate this to the low perceptions WAD staff have of working in that division or indeed that Ministry. NORAD finds it difficult to obtain reports and suggest they are two years late. Nevertheless, this project is to be continued largely because it is felt that the sort of activity is needed. No new projects are on the immediate horizon.

CIDA approached the relationship with WAD from a different angle. They are seeking to improve the organization (institutional building) as a means of improving the WAD capability to manage projects. They believe that at the present time, WAD could not satisfactorily carry out the project designated and that they would need a minimum of two years to reach this standard.

UNDP, in response to MSWWA prompting, is discussing various activities including management information systems, training, etc. The major problem for them is the very slow response time and quote a one year lead time even to arrange a meeting.

USAID experience in trying to work with MSWWA has not been satisfactory to them. The reluctance of some officers is based on a long standing problem related to the implementation of a management training scheme. There is also a belief that MSWWA appointees are anxious to get out as soon as they get in due to lack of prestige. Turnover rate of senior officials is high and this creates problems of continuity and slows down the mechanism of approval.

In conclusion, the MSWWA has a poor reputation in most quarters even though it is generally accepted that the WAD has a vitality, creativity and enthusiasm in the senior echelons. However, the support received from the MSWWA itself and its own infrastructural inadequacies is an extremely limiting factor.

C. DIRECT OBSERVATIONS

Field visits were made to WAD projects in Mohamedpur, Tangail and Mymensingh. Each of these centers train 45-50 women per year in both vocational activities (such as weaving, sewing and embroidery) and non-formal matters (such as FP, child health, and so on). The training program takes one year and during this period, the trainees receive 3Tk per day and normally have the use of a day care facility. After training, the women return to the village and have a 1,000 tk business start-up loan.

The training observed and the interest of the trainees was adequate but there are major deficiencies in the system. There is only very limited supervision from Dhaka, the accounting system appears minimal and possibly open to abuse. There is little concept of marketing or what products to produce. There is no evidence of follow-up activity once the women leave. Furthermore, the utilization of the 1,000 Tk. loan bears no relation to the training itself.

In terms of the eventual sub-project, the women brought through the system, as already described, may not be appropriately selected or trained. Thus, the availability of these women would not necessarily be a strong selling point for the project. The women's regional structure is not strong and new supervisors would have to be brought in. In view of all these elements, as well as external opinion, the team concluded that the WAD is not the best route for the implementation of a depot-holder project. Nevertheless, this does not imply that another implementing body, such as SMP, could not avail themselves of some of the women brought through the WAD training. Moreover, the WAD senior staff could be usefully approached in an advisory capacity in terms of their knowledge of women at the community level.

It should be noted that the field visits to other projects clearly showed a huge differential in the motivation and impact of schemes such as BRAC, ICDDR, B and RDRS as compared to WAD. However, the resources put at the disposal of these localized projects are considerably higher and so WAD cannot be fairly judged against these.

APPENDIX 1: DOCUMENTS UTILIZED

USAID	Project Paper, Family Planning Services 81-83
USAID	Revised Project Paper, Family Planning Services 81-86
Currey	Evaluation of National Rehydration Programme
P&M	Female Depot Holder - Operations Research
USAID	Child Survival Strategy
USAID	FVDH Sub-Project Design, Scope of Work
MSWA	Project Profile
USAID	Briefing Paper on FPSP
PSI	Memos on alternative distributorships
E. Green	Diarrhea and ORS in Bangladesh
L. Chen	Village based distribution of ORT packets in Bangladesh
T. Schaffer	Survey of Women's Projects
M.A. Mamun	Physical inventory of contraceptive commodities
UNICEF	A brief on the control of diarrhoeal disease program (1986)
ICDDR,B	The Matlab MCH.FP Project 1986
UNDP	Planning and Co-ordination of Women in Development Activities
Yunus	Extension of ORT in the community
BRAC	Concentrated re-enforcement program
Mahbub	Women in Development
RDRS	Health Program Annual Report 1985

APPENDIX 2: CONSULTANT'S MEETINGS

Ms. Sharon Epstein	USAID	Director P&H
Mrs. Mary Lee McIntyre	USAID	Project Manager P&H
Mrs. Gule Afruz Mahbub	MSWWA	Director, Womens Affairs Directorate
Mrs. Hosniara Kasim	MSWWA	Chief Planning, Womens Affairs Directorate
Mr. Salehuddin Ahmed	BRAC	Program Coordinator OTEP
Mr. Robert Kramer	USAID	Program Officer
Mr. Turra Bethunue	USAID	Program Officer
Ms. Unni Kramer	NORAD	
Mrs. Nargis Akhter	MSWWA	Assistant Director, Womens Affairs Directorate
Dr. Bonnie Stanton	ICDDR,B	Urban Volunteers Program
Mrs. Salma Khan		Planning Commission, Deputy for Women's Affairs
Ms. Nancy Terreri	UNICEF	Health Program Officer
Mrs. Teresita Schaffer		Consultant
Mr. Jesse Brandt	USAID	Logistics and Supply Officer
Dr. Yunis	ICDDR,B	Director Bari Women's Project Matlab
Mr. Marceline Rozario	RDRS	Program Coordinator
Ms. Maxine Olsen	UNDP	Assistant Resident Representative
Mr. Philip Hughes	SMP	PSI In-country Representative
Mr. Mel Chatman	USAID	PD&E Officer
Mr. Victor Carvell	CIDA	Counsellor (Development)
Mr. Michael Bernhardt	URC	In-country Manager

NB. the team has also met with a number of individuals in addition to those listed above.

APPENDIX 3: FIELD VISITS

ICDDR, B	Urban Volunteer Program, Dhaka
ICDDR, B	Bari Women's Project, Matlab
WAD/MSWWA	Project Office, Mohammedpur District
WAD/MSWWA	NORAD Project Office, Tangail Union
WAD/MSWWA	Project Office, Mymensingh District
WAD/MSWWA	Project Office, Tangail District