



Completion Report

Project Number: 33224
Loan Number: 2190- BAN (SF)
September 2014

Bangladesh: Agribusiness Development Project

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Asian Development Bank

CURRENCY EQUIVALENTS

Currency Unit – taka (Tk)

		At Appraisal	At Project Completion
		22 September 2005	28 November 2012
Tk1.00	=	\$0.0153	\$0.0123
\$1.00	=	Tk65.51	Tk81.225

ABBREVIATIONS

ADB	–	Asian Development Bank
BME	–	benefit monitoring and evaluation
DAM	–	Department of Agricultural Marketing
GAP	–	gender action plan
MOA	–	Ministry of Agriculture
MOF	–	Ministry of Finance
NGO	–	nongovernment organization
PCR	–	project completion review
PIU	–	project implementation unit
TA	–	technical assistance
TMSS	–	Thengamara Mohila Sabuj Sangha

NOTES

- (i) The fiscal year (FY) of the government and its agencies ends on 30 June. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2012 ends on 30 June 2012.
- (ii) In this report, "\$" refers to US dollars unless otherwise stated.

Vice-President	W. Zhang, (Operations 1)
Director General	H. Kim, South Asia Regional Department (SARD)
Country Director	K. Higuchi, Bangladesh Resident Mission (BRM), SARD
Team leader	M. S. Alam, Safeguards Officer (Resettlement), BRM, SARD
Team member	M. N. Alam, Project Analyst, BRM, SARD

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BASIC DATA

A. Loan Identification

1.	Country	Bangladesh
2.	Loan Number	2190-BAN (SF)
3.	Project Title	Agribusiness Development Project
4.	Borrower	People's Republic of Bangladesh
5.	Executing Agencies	1. Bank and Financial Institutions Division, Ministry of Finance 2. Ministry of Agriculture
6.	Amount of Loan	SDR28,910,000
7.	Project Completion Report Number	BAN 1477

B. Loan Data

1.	Appraisal	
	– Date Started	23 May 2005
	– Date Completed	8 June 2005
2.	Loan Negotiations	
	– Date Started	22 September 2005
	– Date Completed	24 September 2005
3.	Date of Board Approval	27 October 2005
4.	Date of Loan Agreement	22 June 2006
5.	Date of Loan Effectiveness	
	– In Loan Agreement	20 September 2006
	– Actual	17 November 2006
	– Number of Extensions	2
6.	Closing Date	
	– In Loan Agreement	30 June 2011
	– Actual	28 November 2012
	– Number of Extensions	1
7.	Terms of Loan	
	– Interest Rate	1% per annum during the grace period and 1.5% per annum thereafter
	– Maturity (number of years)	32
	– Grace Period (number of years)	8
8.	Terms of Relending (if any)	
	– Interest Rate	3.5% per annum
	– Maturity (number of years)	15
	– Grace Period (number of years)	5
	– Second-Step Borrowers	Bangladesh Small Industries and Commerce Bank, and Eastern Bank

9. Disbursements

a. Dates

Initial Disbursement	Final Disbursement	Time Interval
13 December 2006	14 February 2012	62.1 months
Effective Date	Original Closing Date	Time Interval
17 November 2006	30 June 2011	55.5 months

b. Amount (SDR'000)

Category or Subloan	Last Revised Allocation	Amount Canceled ^a	Net Amount Available	Amount Disbursed	Undisbursed Balance
01 Small-scale agribusiness credit	24,488	457	24,031	24,031	0
02A Vehicles and motorcycles	164	56	108	108	0
02B Office equipment and furniture	283	175	108	108	0
03 Consulting services	2,428	2,309	119	119	0
04 Contracted services	278	278	0	0	0
05 Training and technical support	466	221	245	245	0
06 Survey and studies	103	91	12	12	0
07 Interest	611	0	611	611	0
08 Unallocated	89	89	0	0	0
Total	28,910	3,676	25,234	25,234	0
Equivalent \$	44,721	5,594	39,062	39,062	0

^a The loan cancellation amounting to SDR3,675,650.86 was approved and value dated 16 August 2012.
Source: Asian Development Bank loan financial information system.

10. Local Costs (Financed)

- Amount (\$)	0
- Percent of Local Costs	0
- Percent of Total Cost	0

C. Project Data

1. Project Cost (\$ million)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	6.9	39.1
Local Currency Cost	53.1	16.5
Total	60.0	55.6

Sources: Asian Development Bank loan financial information system; Department of Marketing, Ministry of Agriculture. 2012. *Project Completion Report*. Dhaka

2. Financing Plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower Financed	2.0	0.7
ADB Financed	41.6	38.2
Sub-borrowers' contributions	15.3	15.8
Contracted Service Providers	0.2	0.0
Total	59.1	54.7
IDC Costs		
Borrower Financed	0.0	0.0
ADB Financed	0.9	0.9
Other External Financing	0.0	0.0
Total	60.0	55.6

ADB = Asian Development Bank, IDC = interest during construction.

Sources: Asian Development Bank loan financial information system; Department of Marketing, Ministry of Agriculture. 2012. *Project Completion Report*. Dhaka

3. Cost Breakdown by Project Component (\$ million)

Component	Appraisal Estimate	Actual
A. Investment Cost		
1. Agribusiness Credit	36.0	37.2
2. Sub-borrower Investment Contribution	15.3	15.8
3. Consulting Services		
a. International Consultants	2.1	0.0
b. Domestic Consultants	1.5	0.2
4. Contracted Services	0.6	0.0
5. Training and Technical Support	0.7	0.4
6. Vehicles and Equipment		
a. Vehicles and Motorcycles	0.3	0.2
b. Office Equipment and Furniture	0.5	0.2
7. Surveys and Studies	0.2	0.0
8. Project Staff	0.5	0.2
9. Overhead and Operational Costs	1.4	0.5
Total Investment Cost	59.1	54.7
B. Recurrent Costs	0.0	0.0
Total Project Costs (A+B)	59.1	54.7
Interest During Construction Period	0.9	0.9
Total Cost	60.0	55.6

Sources: Asian Development Bank loan financial information system; Department of Marketing, Ministry of Agriculture. 2012. *Project Completion Report*. Dhaka

4. Project Schedule

Item	Appraisal Estimate	Actual
A. Project Start-up		
1. Appoint Project Staff		
- Date started	Jul 2006	Mar 2007
- Date completed	Sep 2006	Apr 2007
2. Start Up Project Implementation Unit		
- Date started	Aug 2006	Aug 2006
- Date completed	Nov 2006	Dec 2006
3. Recruit Loan-financed Consultants		
- Date started	Aug 2006	Aug 2009
- Date completed	Dec 2006	July 2010
4. Establish Initial Working Arrangements with Participating NGOs and Wholesale Banks		
- Date started	Aug 2006	Jan 2007
- Date completed	Nov 2006	Mar 2007
5. Establish Initial Ties with Agribusiness Organizations		
- Date started	Aug 2006	Nov 2008
- Date completed	Dec 2006	Mar 2009
B. Credit for Small-scale Agribusiness		
1. Establish Imprest Accounts for Credit Lines		
- Date started	Oct 2006	Dec 2006
- Date completed	Nov 2006	Mar 2007
2. Identify Small-scale Borrowers by NGOs		
- Date started	Jan 2007	Apr 2007
- Date completed	Jun 2009	Dec 2011
3. Implement Small-scale Lending Program		
- Date started	Apr 2007	May 2007
- Date completed	Jun 2010	Ongoing
C. Technical and Marketing Support for Agribusinesses		
1. Training and Support for Small Entrepreneurs		
a. Training Program Formulation		
- Date started	Oct 2006	Jun 2008
- Date completed	Mar 2007	Ongoing
b. Training Program Implementation		
- Date started	Jan 2007	Jun 2008
- Date completed	Dec 2010	Ongoing
D. Strengthening Capacity of Participating NGOs and Wholesale Banks in Agribusiness Lending		
1. Training in Agribusiness for NGOs		
a. Review and Revision of Business Plans		
- Date started	Jan 2007	Jul 2008
- Date completed	Mar 2007	Dec 2011
b. Identification of Training Needs and Resources		
- Date started	Jan 2007	Jun 2008
- Date completed	May 2007	Dec 2009

c. Implementation of Training Programs		
- Date started	Apr 2007	Jun 2008
- Date completed	Jan 2008	Dec 2011
2. Support to Wholesale Banks		
- Date started	Nov 2006	May 2007
- Date completed	Feb 2008	Jun 2012

E. Improving the Enabling Environment for Agribusiness

1. Consultations		
- Date started	Jul 2007	Aug 2009
- Date completed	Jan 2008	Dec 2011
2. Public Sector Agencies Training Program		
a. Formulation of Training Program		
- Date started	Jan 2006	Jan 2010
- Date completed	Jun 2006	Apr 2010
b. Implementation of Training Program		
- Date started	Dec 2006	Jun 2010
- Date completed	Jun 2010	Jun 2012

NGO = nongovernment organization.

5. Project Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
From 27 October 2005 to 30 March 2010	S	S
From 1 April 2010 to 30 December 2010	S	HS
From 1 January 2011 to 31 March 2012	S	S
From 1 April 2012 to 30 June 2012	S	PS
From 1 July 2012 to 28 November 2012 ^a	S	S

HS = highly satisfactory, PS = partially satisfactory, S = satisfactory.

^a Date of closing of loan account.

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members ^a
Fact-finding	22 Feb–10 Mar 2005	6	60	a, e, h, m, n
Appraisal	23 May–8 Jun 2005	3	30	a, m, o
Inception	5–13 Dec 2006	5	50	d, e, j, k, m
Review mission 1	20–27 Nov 2007	5	25	d, e, l, j, l
Review mission 2	29 Nov–4 Dec 2008	4	15	d, e, j
Review mission 3	10–23 Feb 2010	3	9	e, h, l
Review mission 4	19–30 Sep 2010	3	21	e, h, l
Midterm review mission	1–11 Jun 2009	7	56	a, e, f, g, h, j, l
Review mission 5	25 Jul–7 Aug 2011	3	21	b, c, l
Review mission 6	3–15 Jan 2012	3	21	b, c, l
Project completion review	23–31 Jan 2014	2	16	e, l, m

^a a = economist and senior country economist, b = senior project officer, c = senior social development and gender officer, d = natural resources economist, e = project implementation officer, f = agribusiness development and financial specialist, g = gender and development specialist, h = social development and gender officer, i = Advisory technical assistance agribusiness advisor, j = Advisory technical assistance project management training specialist, k = associate project analyst, l = project analyst, m = staff consultant, n = country programs specialist, o = counsel.

I. PROJECT DESCRIPTION

1. The Government of Bangladesh, with the assistance of the Asian Development Bank (ADB), designed and implemented the Agribusiness Development Project.¹ The project was approved in October 2005 and completed in June 2012. The original commencement date was November 2006 and the original completion date was June 2011. The project duration was extended by 12 months. The project covered 425 *upazilas* (sub-district) of 60 districts. The Ministry of Finance (MOF) was the executing agency for the credit for small-scale agribusiness component, and the Ministry of Agriculture (MOA) was the executing agency for the agribusiness development component.

2. The expected impact of the project was to reduce poverty in Bangladesh through agribusiness growth, which was expected to generate income and employment in rural areas. The outcome of the project was expanded activities of rural enterprises engaged in commercial agriculture production, input supply, marketing, processing, and transportation. The outcomes were expected to generate employment in rural and peri-urban areas, increase the value addition of nontraditional crops and commodities, and increase rural income.

3. The project had four outputs: (i) establishment, expansion, and successful operation of agribusinesses by small-scale entrepreneurs; (ii) strengthened capacity of participating nongovernment organizations (NGOs) and wholesale banks in agribusiness lending; (iii) strengthened capacity of agribusiness associations in policy dialogue and agribusiness information and technology dissemination; and (iv) improved policy environment, enabling private sector participation. Those outputs were delivered through the following five project components: (i) credit for small-scale agribusinesses, (ii) technical and marketing support for agribusinesses, (iii) strengthening capacity of participating NGOs and wholesale banks in agribusiness lending, (iv) improving the enabling environment for agribusiness, and (v) project implementation support.

4. Bangladesh lacks natural resources. However, productive agricultural land, a favorable climate, and a hardworking population are major natural resources of the country. Demand-driven agribusiness activities are critically important to Bangladesh's economy. According to an estimate made in 2004, agribusiness accounted for about 10% of the country's gross domestic product.² The estimate also found that market demand in the country is income elastic. In addition, while agricultural production grew by about 37% during 1991 to 1999, agribusiness grew by about 66% over the same time period. The growth of agribusiness, though faster than the 3.2% rate of annual expansion in agriculture during the period, was insufficient to generate the employment and income growth required to reduce poverty significantly and accelerate the overall growth of the rural economy. With proper support, however, agribusiness annual growth could accelerate to an estimated 7%, which would speed progress toward achieving Millennium Development Goals.

¹ ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to the People's Republic of Bangladesh for the Agribusiness Development Project*. Manila.

² Agrico Limited. 2004. *Project Preparatory Technical Assistance Final Report on the Bangladesh Agribusiness Development Project*. Manila

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

5. The project was designed to be relevant to the strategic focus of ADB's country strategy and program, 2006–2010, which included (i) playing a major role in supporting policy and institutional reforms to improve sector governance and increase efficiency in the agriculture sector, and (ii) strengthening ADB support in sectors where reforms are difficult to implement (e.g., in the agriculture sector) but are essential to growth and poverty reduction.³ The country partnership strategy, 2011–2015 shifted attention away from several subsectors, including agribusiness, to ensure greater sector selectivity and focus, but it also promoted activities linked to agribusiness development through its emphasis on rural infrastructure linking farms to markets. Support for agribusiness was also included in one of the thematic drivers of the country partnership strategy, 2011–2015, i.e., private sector development. The country operations business plan, 2014–2016 also includes a project preparatory technical assistance (TA) for a project on market and value chain infrastructure development.⁴

6. The project design is consistent with ADB thematic process and operational interventions to support poverty reduction efforts of the government to enhance pro-poor growth boosting employment. This included support to private sector development initiatives for sustainable economic growth through (i) improved rural infrastructure, (ii) improved access to irrigation, (iii) agribusiness development, and (iv) improved access of farmers and entrepreneurs to a competitive domestic and international market for agricultural products.

7. The project design is relevant to the government's national poverty reduction strategy, which includes the promotion of private sector-led growth and employment to stimulate pro-poor growth especially through agribusiness, although reform in the agriculture sector is difficult.⁵ The project design is based on the following government national poverty reduction strategy priorities: (i) accelerating growth in rural areas and developing private sector-led agriculture and nonfarm economic activities; (ii) assisting small and medium-sized enterprises; and (iii) improving rural infrastructure (e.g., irrigation, agro-industries, etc.). The design is also relevant to the government's poverty reduction objective of increasing the rural economic activities of a range of agribusiness enterprises to generate employment.

8. The project design was consistent with ADB's country strategy and program, 2006–2010 for supporting Bangladesh in meeting Millennium Development Goal income poverty targets through (i) increased domestic private investments in all sectors, especially in agricultural diversification and increased agribusiness activities; (ii) enhanced access to irrigation, finance, and new technologies, including information and communication technology; (iii) rural electrification; and (iv) improved local transport and market infrastructure to help raise farm productivity and boost off-farm employment.⁶

9. The project design was effective in promoting sustainable economic growth in the agriculture sector and fostering a vibrant and diversified rural economy. The project contributed to (i) intensifying, diversifying, and adding value to crops that boost agricultural productivity, improve food security, and promote rural non-farm enterprise development; (ii) strengthening

³ 2005. ADB. *Country Strategy and Program: Bangladesh, 2006–2010*. Manila

⁴ 2014. ADB. *Country Operation Business Plan: Bangladesh, 2014–2016*. Manila

⁵ 2006. Government of Bangladesh. *National Poverty Reduction Strategy, 2006–2010*. Dhaka

⁶ Footnote 4, para. 53.

farm-to-market linkages; and (iii) sustaining the growth of agriculture and agribusiness to generate productive on-farm and off-farm employment to raise rural income. ADB supported the government's efforts to develop and adapt productivity-enhancing technologies, and identify and promote local entrepreneurs to agribusinesses. The project promoted existing agribusiness to commercial agribusiness addressing critical constraints for financing, production, and marketing. The project also pursued policy and institutional reforms ensuring greater community and private sector participation.

10. The project design (i) was relevant to both ADB country partnership strategy and government development strategies; (ii) engaged beneficiaries and stakeholders through consultation; and (iii) did not require any major changes during implementation. The project benefited the agriculture sector and the agribusiness subsector. Agribusiness entrepreneurs and relevant stakeholder intermediaries benefited from the project institutionally, technically, and financially.

B. Project Outputs

11. The project made satisfactory progress, with physical progress at 92.93% and financial progress at 90.49% as of June 2012. The outputs of the project (para. 3) were delivered through the five project components, which are presented in detail below and in Appendix 1.

12. **Component 1: credit for small-scale agribusinesses.** The MOF on-lent Tk2,588.908 million to two wholesale banks⁷ at an interest rate of 3.5% for lending to potential agribusiness enterprises through three selected NGOs.⁸ The details of the agribusiness credit operation are in Appendix 2.

13. The three participating NGOs disbursed Tk2,729.914 million among 33,432 agribusiness entrepreneurs (63.69% male and 36.31% female), against the target of 28,000 entrepreneurs. The participating NGOs identified, selected, motivated, and trained the entrepreneurs prior to disbursing credit (Appendix 2, Table A2.3). The participating NGOs borrowed funds from the wholesale banks at an annual diminishing balance interest rate of 7%, and then disbursed the funds to agribusiness entrepreneurs at the market rate.⁹ Credit for small-scale agribusinesses was disbursed for a wide range of agribusiness activities, including production, processing, marketing, and input supply related to crops, fisheries, and livestock services. The agribusiness enterprises supported under the project employed 90,524 people (1,086,288 person-months).¹⁰

14. The average recovery rate of credit issued to agribusiness enterprises was 99.4%. The recovery rate over the 6-year project period (FY2007–FY2012) was always over 99% (ranging from a low of 99.2% in FY 2012 to 99.7% in FY 2007). Agribusiness loans were disbursed on a needs basis ranging between Tk35,000 to Tk350,000, compared to the target of Tk32,755 to Tk327,550. The average size of the first loan was Tk86,472, increasing to a high of Tk168,280 for the fourth loan before decreasing to Tk135,000 for the sixth loan (Appendix 2, Table A2.5). The gradual reduction in the average size of the loans during the later stages of the project was due to an increased emphasis on small enterprises rather than medium and large enterprises, which generally needed loans that breached the ceiling (Tk350,000) of the available credit.

⁷ The wholesale banks comprised a public sector bank (Bangladesh Small Industries and Commerce Bank) and a private sector bank (Eastern Bank).

⁸ Association of Social Advancement, Bangladesh Rural Advancement Committee, and Thengamara Mohila Sabuj Sangha (TMSS).

⁹ An interest rate of 15% flat per annum.

¹⁰ ADB. 2012. *Aide Memoire of the Project Review Mission (3–15 January 2012)*. Dhaka.

15. **Component 2: technical and marketing support for agribusinesses.** The project strengthened the capacity of agribusiness entrepreneurs and agribusiness associations¹¹ in policy dialogue and agribusiness information and technology dissemination by providing necessary training through the project implementation unit (PIU) with the help of three major public sector training and capacity building institutes.¹² The details of these trainings are in Appendix 3.

16. **Component 2A: training and support for small entrepreneurs.** Of the targeted 2,000 beneficiaries, 1,936 selected from all over Bangladesh received 3 days of residential training over the course of 100 training sessions (Appendix 3, Table A3.1). The number of courses was reduced from 200 to 27 as per the requirement of the finally selected entrepreneurs. Among these entrepreneurs, 281 received training on carp fish culture, 250 on dairy, 215 on broiler poultry farming, 148 on winter vegetable, 136 on poultry layer farming, and the remaining 906 on other agribusiness activities (Appendix 3, Table A3.2). The courses included subjects relevant to agribusiness development like business management and development, entrepreneurship development, fish culture, dairy farming, beef fattening, broiler poultry farming, layer poultry farming, commercial vegetable cultivation, etc. Most of the beneficiaries received training in multiple courses. In addition, 581 women entrepreneurs (of a targeted 600) received 4-day training with residential arrangement on women's entrepreneurship development in 30 batches comprising around 20 participants in each batch (Appendix 3, Table A3.3).

17. **Component 2B: strengthening agribusiness associations.** Considering weak value chain linkages among producers, traders, and input service providers, as well as weak post-harvest services (including processing, storage, marketing, and quality control at all stages), the project prepared an inventory of value chain interventions by subsector and cluster and developed market linkages through a value chain system in 14 identified clusters in different subsectors. Further, the project identified and assessed value chain distortions, developed appropriate training courses, and offered specific training courses.

18. The project supported the formation of eight new agribusiness associations (of a targeted 18) comprised of entrepreneurs from different agribusiness groups. Associations for agribusiness products like bamboo and cane, compost fertilizers, and mushrooms were formed only with women. Other associations formed for spices (turmeric and ginger), winter vegetables, fruits, and summer vegetables included both men and women members. The project also strengthened the capacity of 14 different existing agribusiness associations (compared to a targeted 40) through training. Of these 14 associations, two were made up entirely of women. These associations had poor organization and management, had lacked the technological knowledge and skills for improving the quality of products, and had lacked the business knowledge and skills to successfully market the products. The strengthened agribusiness associations are in Appendix 3. The project also offered 2-day training of trainers courses for 353 paraprofessionals on value chain development. The project also arranged a 4-day training session for 430 paraprofessionals (of a targeted 460) from existing agribusiness associations for proper capacity strengthening (Appendix 3, Table A3.6, Table A3.7, Table A3.8, Table A3.9). The new agribusiness associations and the agribusiness enterprises included significant numbers of women.

¹¹ Voluntary associations formed by farmers and traders involved in organized agribusiness activities.

¹² Rural Development Academy (Bogra), Bangladesh Institute of Management (Dhaka), and Small and Cottage Industries Training Institute (Dhaka).

19. **Component 2C: agribusiness information and technology dissemination.** The project offered stakeholders the opportunity to generate income through agribusiness. The project also brought diverged stakeholders in agribusiness, particularly the private sector organizations (PSOs) and NGOs. The project introduced various methods for agribusiness information and technologies dissemination, such as trainings, workshops, seminars, group meetings, visits, rallies, fairs, campaigns, media publicity (including posters, booklets, magazines, periodic bulletins, and TV and radio spots), and overseas study tours. In addition, field workers from participating NGOs were trained to provide need-based technical guidance and assistance required by different types of beneficiary entrepreneurs. Local artisans received technology training to support local entrepreneurs through hands-on training and technology dissemination. Through the participating NGOs, the project also organized 2,643 local training workshops with beneficiaries across the country to promote agribusiness development, with the aim of establishing strong supply and value chain systems (Appendix 3, Table A3.10).

20. **Component 3: strengthening capacity of participating nongovernment organizations and wholesale banks in agribusiness lending.** The project hired three reputable and experienced agencies to design and administer training programs to strengthen the capacity of the wholesale banks and participating NGOs in agribusiness lending. The PIU coordinated the training programs (Appendix 3, Table A3.11 and Table A3.12).

21. The PIU and the three major public sector training and capacity building institutes (footnote 12) organized 35 training sessions in four courses for 702 officials of the three participating NGOs. The courses included (i) financial management, (ii) agribusiness enterprise development, (iii) marketing management, and (iv) monitoring and reporting systems. The most important contents of the training courses included agribusiness, concept and application of value and supply chain management, agribusiness development and management, product markets and management of marketing system, and economics of by-products and farm waste products. The course contents also included the preparation and use of business plans in the agribusiness subsector; business risk assessment and precaution; monitoring and evaluation; planning, design, and data analysis; report writing; promotion of mainstreaming and gender equity in agribusiness; financial management of agribusiness enterprises with an emphasis on cost-benefit analysis; agribusiness guidance and counseling of borrowers; site visits to contract production and value chain system; and assistance in accessing finance from formal financial institutions.

22. The PIU also designed and organized 3-day residential training in 19 sessions for 377 officials of the two wholesale banks on (i) procedural and analytical aspects of agribusiness, (ii) NGO orientation and enterprise, (iii) NGO loan appraisal and management, and (iv) agribusiness enterprise development and management. The important contents of the training courses included a description of the project and its implementation modality, the status of agribusiness and its importance to the economy, the growth of the NGO sector, microcredit modalities and procedures, investment opportunities in value addition of high value agricultural products, and identification and promotion of entrepreneurship development. The training contents also included the preparation of agribusiness investments for agribusiness enterprises, value and supply chain management, cluster management and its implications for agribusiness, performance and impact monitoring, evaluation of agribusiness enterprises, fund and financial management and disbursement procedures, the financing of agribusiness enterprises, NGO loan appraisal system and procedures, and the benefits of field visits in agribusiness enterprise lending

23. **Component 4: improving the enabling environment for agribusiness.** The project tried to identify and correct major policy constraints of agribusiness subsector and strengthen public sector agencies in agri-business governance, support, and promotion.

24. **Component 4A: identifying and correcting major policy constraints.** The project had provisions to assist the MOA and other related government agencies in (i) identifying regulatory impediments transparently and publicly in private sector operations of agribusiness through conducting workshops, seminars, conferences, and consultations with the public and private sectors on required policy changes; and (ii) drafting key regulations and legislative acts. The later activity could not be undertaken due to a delay in the consultant procurement process, which resulted in a lack of technical support. However, the government formed a committee headed by the director of the Department of Agricultural Marketing (DAM) to identify policy constraints and recommend necessary measures.

25. **Component 4B: strengthening public sector agencies in agribusiness governance, support, and promotion.** The project designed and implemented a 2-day training course for 284 government officials on public sector role in agribusiness promotion and governance (Appendix 3, Table A3.13). The participants were drawn from government officials of line ministries and departments involved or likely to be involved in agribusiness development through value and supply chain management.

26. The major contents of the courses included a project introduction, the status of agribusiness in Bangladesh and its importance and scope, the concept and application of value and supply chain management and the role of government officials, the process of agribusiness enterprise development and management, agricultural products and markets and managing a related marketing system, and economic use of by-products and farm waste products to maximize the income of enterprises. The contents also included preparation and use of a business plan for the agribusiness subsector, business risks and precautionary measures, monitoring and evaluation, report writing, promotion of mainstreaming and gender equity in agribusiness, financial management of agribusiness with emphasis on cost-benefit analysis, and guidance and counseling of agribusiness entrepreneurs.

27. **Implementation of gender action plan.** The gender action plan (GAP) strategy and activities were relevant to the project's anticipated outcome and outputs, as well as to the performance targets and indicators of the design and monitoring framework. The GAP activities promoted women's participation as entrepreneurs and their access to credit for agribusiness. The project contributed to women's entrepreneurship development, increased access to employment by women, and improved women's empowerment. Of the 33,432 entrepreneurs supported under the project in scaling up their enterprises, 12,139 (36.31% against the target of 30.00%) of the sub-borrowers were women. Of those women entrepreneurs, 33.33% received training from the participating NGOs. Moreover, 90,524 family and wage laborers were employed, including 30,172 (33.33% against the target of 50.00%) women. The GAP implementation status is in Appendix 4.

28. **Governance and anticorruption measures.** The project followed ADB guidelines for governance and anticorruption in project design, ensuring progress, transparency, cost-effectiveness, and value for money in implementing the project (Appendix 5).¹³

¹³ ADB. 2010. *Governance and Anticorruption in Project Design: Office of the General Counsel Guide*. Manila

C. Project Costs

29. The estimated total cost of the project at appraisal was \$60.0 million, and the actual project cost was \$55.6 million, or 7.3% less than the estimate. This cost underrun was attributable to the inability to recruit consultants under the loan and exchange rate fluctuations. Foreign currency costs increased by 466.7% and local currency costs decreased by 68.9% during the project period.¹⁴ The project cost estimate was realistic as the total cost was lower than the estimate at appraisal even though there was considerable inflation over the project period and the number of target beneficiary agribusiness borrowers increased by 19.4%. Moreover, agribusiness credit increased by 3.3% from \$36.0 million to \$37.2 million over the project period due to an increase in the number of beneficiary enterprises. However, the contributions of the borrower were reduced from \$2.0 million to \$0.7 million because of lower expenditures resulting from the borrower using its own office space and the reduced number of support staff and consultants (Basic Data).

D. Disbursements

30. The time interval between the initial and final disbursements was 62.1 months against the 55.5 months between the actual effective date and original loan closing date. The project period was extended by 12 months but was completed within 6.1 months of the extension. The actual disbursement was \$39.062 million compared to the original estimate of \$42.500 million. The lower disbursement was due to a significant reduction in consulting service inputs (para. 37) and fewer funds required for procuring vehicles and equipment through competitive bidding. An undisbursed amount equivalent to \$5.594 million was cancelled during loan closing. The imprest fund was highly useful in project implementation, the fund was effectively utilized, and the statements of expenditure were submitted by the executing agencies regularly ensuring adequate fund follow. The imprest fund turnover ratio was 3.06. Details related to the allocation, release, and expenditure of funds is in Appendix 2, Table A2.6.

E. Project Schedule

31. The project was scheduled to start in June 2006 and end by June 2011. The project actually started in September 2006 but ended on 30 June 2012 after a 12-month extension. Initial delays in recruiting project staff and inordinate delays in engaging consultants (para. 37–38) affected project implementation. The detailed project implementation schedule (appraisal and actual) is in Appendix 6.

F. Implementation Arrangements

32. The MOA and the MOF (through its Bank and Financial Institutions Division) were the executing agencies. The MOF was responsible for managing and overseeing the flow of funds for the agribusiness credit line component. The MOF was supported by two wholesale banks (Bangladesh Small Industries and Commerce Bank and Eastern Bank), and three participating NGOs: Association of Social Advancement, Bangladesh Rural Advancement Committee, and Thengamara Mohila Sabuj Sangha.

33. The MOA was responsible for implementation of all aspects of the project other than the component 1 (agribusiness credit line). The agribusiness cell of the MOA was responsible for

¹⁴ It was envisaged during appraisal that \$32.2 million of ADB financing would be in local currency, but during loan agreement it was decided that all ADB financing would be in foreign currency.

implementing component 4A (para. 23). The DAM was responsible for implementation of the rest of the activities other than those under components 1 and 4A. A PIU was established, headed by a project director with support from a project manager and other support professionals and project consultants.

34. A high level project steering committee was formed with the principal secretary of the Prime Minister's office as chairperson. Other members included (i) the secretaries of the Economic Relations Division, Finance Division of Ministry of Finance, Planning Commission; (ii) the secretaries of the Ministries of Agriculture, Fisheries and Livestock, Commerce, and Industry; and (iii) representatives of Bangladesh Bank, Bangladesh Small Industries and Commerce Bank, Eastern Bank, and participating NGOs. An additional MOA secretary (the head of the MOA's agribusiness cell) served as the member secretary of the project steering committee. A project implementation committee was formed with representatives of the MOA, MOF, Implementation Monitoring and Evaluation Division, Planning Commission, DAM, Bangladesh Small Industries and Commerce Bank, Eastern Bank, participating NGOs, and agribusiness organizations. The secretary of the MOA chaired the project implementation committee, and the project director served as the member secretary. During the project period, the project steering committee met five times and the project implementation committee met seven times. The project's implementation arrangement was adequate.

G. Conditions and Covenants

35. The loan covenants were relevant to the project design and implementation and loan agreement. All major loan covenants were generally complied with. The executing agencies, wholesale banks, and participating NGOs submitted good quality audited financial statements on a yearly basis. The status of loan covenants is in Appendix 7.

H. Related Technical Assistance

36. A piggy-backed TA of \$600,000 was provided to improve the capacity of the DAM and MOA in agribusiness promotion and project management.¹⁵ The aims of the TA were to (i) familiarize the personnel of the DAM and MOA about commercial agriculture and agribusiness promotion (including value addition aspects), and (ii) provide technical support for implementation of the project during the project period. Under the TA, ADB engaged one international project management consultant for 12 person-months and one national agribusiness training management consultant for 48 person-months.

37. The consultants' inputs were useful and effective in project implementation, preparation of training curricula and plans, and the establishment of a monitoring and evaluation system in the DAM. In addition, the TA was helpful in supporting project implementation through the provision of vehicles, office equipment, and furniture for the PIU and DAM. The TA also benefited the DAM and the agribusiness cell of the MOA in promoting agribusiness and implementing donor-funded programs, including designing and implementing training courses. The TA completion report is in Appendix 8. The TA was rated *successful*.

¹⁵ ADB. 2005. *Technical Assistance to Bangladesh for Strengthening Project Management on Agribusiness Development*. Manila

I. Consultant Recruitment and Procurement

38. In addition to the TA, 628 person-months of consulting services were provided by consulting firms under the loan. The project initiated procurement, but the recruitment of consulting firms became delayed due to lengthy administrative procedures and lack of necessary capacities of the MOA. To avoid further delays, the government and ADB agreed to directly recruit a few key individual consultants instead of recruiting consulting firms. The government and ADB downsized the consulting inputs from 628 person-months to 200 person-months (17 person-months of international and 183 person-months of national inputs) due to time constraints. Later, inputs were further reduced to 109 person-months (3 person-months of international and 106 person-months of national inputs), and it was also agreed that recruitment would be done by ADB.

39. Accordingly, one international consultant for 3 person-months and five national consultants for 106 person-months were recruited and their services utilized (Appendix 9, Table A9.3). Due to the low input of the team leader and the omission of an agribusiness policy specialist, the outcomes were difficult to achieve. However, the difficulties were mostly met through inputs from local staff from the DAM. The MOA commissioned a regulatory study after completion of the project under the leadership of the director of the DAM.

40. The project purchased vehicles, furniture, fixture and equipment following *ADB Guidelines for Procurement of Goods and Services* and local procurement procedures without any difficulty. The recruitment of consultants and the procurement of vehicles, office equipment, and furniture are summarized in Appendix 9, Table A9.1 and Table A9.2.

J. Performance of Consultants, Contractors, and Suppliers

41. The performance of consultants and suppliers is rated *satisfactory*. The consultants performed satisfactorily in terms of preparing and submitting deliverables of the required quality on time. However, the failure of the MOA in recruiting all international and national consultants for required inputs affected project implementation. The project had no provision for engaging contractors. The performance of suppliers of vehicles, office equipment, and furniture is rated *satisfactory*.

K. Performance of the Borrower and the Executing Agencies

42. Performance of the borrower (MOF) was satisfactory for efficient and timely processing of the loan and efficient coordination between the executing agencies and ADB. The performance of the MOF as the executing agency responsible for implementation of component 1 (small-scale agribusiness credit) was rated *satisfactory*. The MOF with the help of its finance division supported 33,432 small-scale agribusiness enterprises with credit support through two wholesale banks and three NGOs. The credit operation was successful and sustainable as it continued to revolve after the closing of the project and was effective in promoting agribusiness development. The utilization of loan proceeds and recovery of loans (99.63%) are rated *satisfactory*.

43. Performance of the MOA as the executing agency responsible for implementation of all components except component 1 is rated *satisfactory*. However, the failure of the MOA to recruit consultants in a timely fashion hindered the achievement of project outputs. The assessment of the capacities of the executing agencies, especially of the MOA, for recruiting consultants was not accurate. The MOA supported its agribusiness cell and the DAM in

implementing components 2, 3, 4, and 5. The MOA promptly and effectively provided necessary guidance and approvals as needed for administrative, financial, and reform measures, and it led coordination among all stakeholders.

44. The performance of the DAM as the prime implementing agency is rated *satisfactory*. The DAM was responsible for implementing the project, including overall promotion of agribusiness and coordinating the two wholesale banks and the participating NGOs. The DAM assisted and guided the PIU satisfactorily in implementing the project despite a critical manpower shortage from the beginning. The MOA's agribusiness cell, participating banks, and participating NGOs also performed satisfactorily in supporting project implementation and beneficiaries. The wholesale banks and the participating NGOs continued to support the project enterprises by sustaining credit after project completion. The executing agencies, banks, and NGOs regularly submitted good quality reports as agreed.

L. Performance of the Asian Development Bank

45. ADB supported project implementation by promptly responding to requests from the PIU and the two executing agencies for approvals, disbursements, and monitoring. ADB fielded 11 missions, including inception, periodic review, midterm review, and final review. ADB provided advisory TA for project implementation support and agribusiness promotion. In addition, ADB took the lead in recruiting the individual consultants in consultation with the government. Overall performance of ADB is rated *satisfactory*.

III. EVALUATION OF PERFORMANCE

A. Relevance

46. The project was *relevant*. The design was relevant as the project provided support to value addition through processing, storage, and transportation of agricultural commodities, which helped establish downstream links that contributed to economic growth and expansion of agriculture-based enterprises and agribusinesses. The project was relevant to ADB's program strategic focus supporting policy and institutional reforms to improve governance and efficiency in the agriculture sector as specified in ADB's CPS 2006-10, and Government's NPRS 2006-10. Similarly, the project was consistent with ADB's thematic process and operational interventions, and with the government's national poverty reduction strategy to (i) increase rural employment and income from agribusiness development and (ii) improve the access of farmers and entrepreneurs to a competitive domestic and international market for agricultural products. As a result, the project was strongly owned by the stakeholders, and the project activities are still ongoing in terms of providing training and enterprise credit in a sustainable manner. Other development partners involved in the agriculture sector were engaged by ADB during project design. The project was relevant at the time of design and during and after project implementation.

B. Effectiveness in Achieving Outcome

47. The project was *effective* in achieving outcomes, e.g., effectively expanding activities of rural enterprises engaged in commercial agriculture production, input supply, marketing, processing, and transportation. The project completion review (PCR) mission survey indicates that due to project support, agribusiness activities expanded by 56% (Appendix 12, Table A12.3) during the project implementation period. Additionally, the participating NGOs estimated that

sales among the supported agribusiness enterprises increased by 50% compared to the target of 30%. Further, 36.31% of the entrepreneurs supported under the project were women.

48. The project created 142,420 jobs (an average of 4.26 jobs per enterprise), of which 53% were filled by local female laborers. A study conducted by the Rural Development Academy found that value addition per unit commodity increased during the project implementation period by about 18.7%–75% for different agricultural products, compared to the target of 20%–30%.¹⁶ The same study also estimated that 18% of enterprises have reduced post-harvest losses in different scales.

C. Efficiency in Achieving Outcome and Outputs

49. The project is rated *efficient* in achieving outcomes and outputs. A financial reevaluation of the internal rates of return of a random selection of 12 small and 10 medium enterprises throughout the country demonstrated high returns to investment. Medium enterprises showed higher returns than the small ones due to the low economies of scale of operation of smaller enterprises (Appendix 10). The efficiency in achieving outcome and outputs was possible due to strong coordination between the executing agencies, implementing agency, and ADB. This coordination will further improve if the enterprises and entrepreneurs receive continued financial and technical support on a sustainable basis, and a sound agribusiness system is established based on a healthy private sector-led supply chain and value addition process.

D. Preliminary Assessment of Sustainability

50. The project is rated *most likely sustainable* since the wholesale banks and the participating NGOs have continued to extend credit to existing and new potential entrepreneurs. The number of agribusiness enterprises increased from 33,432 at project completion to 47,342 in December 2013. More than 80% of agribusiness enterprises established under the project continue to operate successfully and profitably. In total, 13,910 new agribusinesses created after the end of the project, and the mechanisms to support agribusinesses established under the project, continue to operate. The PCR mission estimated that the volume of lending even increased after project completion.¹⁷ The project interventions are assessed most likely *sustainable* as agribusiness is financially more rewarding to the entrepreneurs and agribusiness loans are profitable for the participating banks and NGOs (Appendix 10). The MOA is continuing its efforts to develop and market agribusiness, including improvement of the value chain system and value addition through other programs like the ongoing ADB-financed Second Crop Diversification Project.¹⁸ Details about the sustainability of the agribusiness credit system under the project are in Appendix 11.

E. Impact

51. The project made *significant impact* on the agriculture marketing system in Bangladesh by creating awareness of value chain development and value addition, commercialization of agriculture marketing above mere motivation and promotion, and improving the overall agribusiness environment. Major impacts of the project are presented in detail in Appendix 12.

¹⁶ DAM. 2014. *Project Completion Report of Loan Number 2190-Ban (SF)*. Dhaka

¹⁷ Appendix 11, Table 11.1

¹⁸ ADB.2010. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the People's Republic of Bangladesh for the Second Crop diversification Project*. Manila.

52. The PCR mission estimated that 33,432 agribusiness enterprises created employment for 72,896 persons per year (Appendix 2, Table 2.1) in nontraditional on-farm and off-farm activities for both men and women in rural, semi-urban, and urban areas. In addition, the income of entrepreneurs and their existing workers increased due to their acquisition of new skills in commercial agriculture and agribusiness marketing and processing. The project therefore made a positive impact on the household incomes of the beneficiaries and persons involved in the project activities. The PCR survey of 300 randomly selected enterprises indicated that the annual incomes of the enterprises significantly increased through profits from agribusiness. Annual profit margins of 48% of enterprises ranged from 13% to 100%, and 37% of enterprises earned profit above 100 % (Appendix 12, Table A12.11).

53. An independent study conducted by the Rural Development Academy under the project found positive impacts in the production of crops, livestock, fisheries, and forestry.¹⁹ The study noted a 37.8% increase in the production of rice, from 25.09 million tons to 34.56 million tons, during FY2001 to FY2010. Production of wheat increased by 44.2% during FY2006 to FY2010. Annual production of maize increased from 4,075 tons in FY2000 to 729,000 tons in FY2010. The increases in the production of rice and wheat were primarily due to increased yields, and the increase in the production of maize was due to increased cultivation area and yield. The production of cereal crops in Bangladesh had experienced sustained growth and the project contributed to this growth by introducing the concept of high yield and quality through improvements to the supply and value chains, processing, and marketing.

54. The project contributed to institutional strengthening and capacity development of all agribusiness enterprises served under the project. All of them were small and micro enterprises that lacked legal status and standard business practices, including registration, accounting, record keeping, and skilled manpower. The project supported institutionalization of the micro enterprises as sustainable and capable agribusiness enterprises by (i) equipping them with management, accounting, credit management, marketing management, and technological skills, and (ii) linking them with supply and value chains and agribusiness associations. The project developed a powerful network of agribusiness enterprises involved in production and marketing (harvesting, processing, storage, transportation, and wholesale-retailing). Each enterprise contributes in developing supply chains and value addition. The project provided extensive trainings to create awareness of and develop supply chain and value addition to optimize the benefits of agricultural activities. The project also helped the agribusiness enterprises organize and form agribusiness enterprise associations to create mutually beneficial opportunities.

55. The project provided intensive training and motivated the farmers and agribusiness intermediaries to add value to primary products to transform them into more expensive secondary products (e.g., through packaging and transportation). Agribusiness enterprises under the project added considerable value to their primary products (e.g., rice, wheat, maize, vegetable, poultry, fish, and forestry products) by refining them into improved food and household items with high demand in local and international markets. One notable impact is that the small entrepreneurs turned into small traders with skills in business management. As a result, 33,432 small rural agribusiness entrepreneurs were supported, contributing to the value addition chain.

56. The agribusiness loan fund revolved at least twice among the 33,432 enterprises per annum, and each of these small enterprises revolved the small sums two to four times each year, building good capital resources at beneficiary levels. The money circulation and

¹⁹ RDA. 2010. *Agriculture Sector/Sub-sector Review*. Bogra

multiplication effect impacted on the economic scale of the small agricultural traders greatly. The project supported educated rural youth to become self-employed retailers, wholesalers, and agribusiness entrepreneurs instead of migrating to urban areas for jobs.

57. The project had a considerable social impact in terms of increased household income, enhanced awareness on commercial production of high value crops, and value addition. The project adopted an inclusive approach by involving all active members of households in commercial agriculture and agribusiness. The inclusiveness enhanced the technological and commercial knowledge and skills of the household members, contributing towards the cost-effectiveness and sustainability of the enterprises. The PCR mission survey noted that 59.7% of the surveyed enterprises were involved exclusively in agribusiness compared to 41.3% before the project. Of these enterprises, 45.7% were involved in agriculture prior to the project compared to only 17.0% after the project. The survey also indicated that on average each enterprise created employment for 4.77 persons (2.41 family workers and 2.36 wage employees). The survey also noted that incomes among the beneficiary households increased during individual loan cycles. This increase was due to profits that were partly reinvested (average 38.3% of the profit) in each agribusiness, with the rest spent on meeting family needs such as education, health, and acquiring assets (Appendix 12, Table A12.12-12.14).

58. The implementation of the GAP had a considerable impact on women's economic empowerment in the areas of commercial production, improved post-harvest processing, the refining of agricultural produce into high value food and other commodities, and organized marketing. Access to finance was gained by 12,139 women entrepreneurs, and 581 women entrepreneurs learned agribusiness enterprise management (para.12). Project monitoring data showed that 34.36% of the female sub-borrowers operated their enterprise themselves, and 53.85% made decisions without the help of male members of the household. Further, 87.69% women entrepreneurs realized that their social status in the household and in the community had been enhanced, and 77.44% reported that their social participation had increased due to enhanced women empowerment after joining the project. While the GAP targets were fulfilled, more benefits could have been realized if the project had been able to meet all targets related to capacity development.

59. Trainings provided under the project promoted environmental safeguards and the adoption of environmentally friendly technologies in all activities (limited or alternate use of fertilizer, pesticide; healthy factory environment; safe disposal of factory waste; limited or no use of hazardous material; handicraft enterprises). The entrepreneurs were also cautioned against the production and processing of foods that are harmful for human consumption and the environment. The PCR mission observed that the beneficiary entrepreneurs were aware of and generally complied with environmental safeguards. The project did not require any involuntary resettlement and did not have any adverse impact on indigenous peoples.

60. The project provided awareness building training on the use of improved technologies and technology transfer that reduce physical labor, increase production, improve quality, reduce production cost and post-harvest losses, and increase market prices of the product.

61. The project outcomes on gender relations were significant, as 36.31% of the borrowers were women, 35.0% of the jobs created were filled by women, and 49.23% of women entrepreneurs participated in training workshops. Additionally, women were empowered through the earnings made from the enterprises, and a major part of family income from the enterprises was spent for family well-being, like, children's education, intake of more nutritious food, better clothing, and improved housing.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

62. Overall project implementation is rated *successful*. The project was implemented consistent with its design, and almost all target activities were completed within the project period (taking into account the 12-month extension). The project served 33,432 target beneficiary agribusiness entrepreneurs and enterprises compared to the 28,000 originally planned. The project's design was relevant, and its implementation was effective in achieving its outcome and efficient in achieving outcome and outputs. Project activities were sustainable, and the outputs positively impacted the development of agribusiness, particularly by strengthening weak supply and value chain systems. The project generally achieved the objectives for poverty reduction by expanding the scope of agribusiness, increasing value addition, improving the supply chain, and establishing effective forward and backward linkages of agriculture production to improve the marketing of farm produce.

B. Lessons

63. Small enterprises should have been made more rewarding in terms of financial returns on investment and employment opportunities compared to medium and large enterprises (appendix 10, para. 7). Due to improvement of technology; efficient use of increased capital cost, operating cost, and cost of labor; and ability to meet need for higher efficiency and demand for high quality standards of produce in the market, medium to large agribusiness enterprises are staying in the competition.

64. The agriculture marketing subsector in Bangladesh is growing fast and requires public support for promotion, facilitation, legal and regulatory supports, and necessary infrastructure development and training. The future development of agriculture, agro-economy, and rural employment depends on the development of this subsector. There is a need for an appropriate and capable agribusiness development agency that can support future demand, which is now mandated to DAM. The DAM has limited manpower, which needs to be strengthened at the district and *sub-district* levels. Through proper human resources management and capacity development of DAM staff through appropriate in-house and external training.

65. Agriculture marketing associations are not well-organized and federated to meet the needs of the fast-growing domestic agriculture market of Bangladesh.

66. The progress of value addition and supply chain development has been inadequate. The concept of value addition, supply chain management, and improved quality of products needs to be linked to export options, reduction of wastage, high quality standards, compliance with phytosanitary and public health standards, and an increased role of women at different levels of agribusiness development. There remains a need for continued support to women to enable them to diversify and scale up their enterprises, and gain access to upper levels of the value chain.

67. The executing agencies should have had adequate capacity and experience in recruiting consultants to ensure timely availability of necessary consultant inputs. If necessary, advance actions should have been initiated to ensure the fielding of consultants in time.

68. The participation of women improved project outcomes and gave them more opportunities in business, employment, skill development, marketing, and income generation.

C. Recommendations

1. Project Related

69. The government will monitor continued agribusiness lending by the three participating NGOs using the revolving funds generated under the project.

70. In order to support the development of agribusiness, the government will further strengthen the DAM by expanding its organogram with skilled manpower down to the *sub-district* level, with an emphasis on fast-growing agribusiness clusters.

71. The government will monitor the use of the existing market infrastructure facilities established under the ADB-financed Northwest Crop Diversification Project²⁰, and take steps to fully utilize the facilities, and periodically provide ADB with progress updates.

72. The government will take steps to remove critical bottlenecks and constraints of agribusiness such as lack of improved market infrastructure, weak market channels, disorganized agribusiness associations, inadequate credit facilities, and lack of easy access to export markets for agriculture produce from Bangladesh.

73. The government will complete the planned regulatory study (para. 23), inform ADB about its findings, and develop an action plan for implementation of the findings by 31 December 2014.

74. The government will assess and continue to support enhancing the role of women as agribusiness entrepreneurs and skilled human resources to enable them to diversify and scale up their enterprises and access other levels of the value chain.

2. General

75. The establishment of strong private sector-driven agriculture marketing federated associations under the regulatory framework support of the government is essential.

76. A follow-up agribusiness and marketing development project may be designed and implemented to further improve the agribusiness developments and meet increasing demand for high quality standards of produce in the market through appropriate value addition and supply chain management based on the lessons learned from the project.

77. ADB may prepare a project performance evaluation report in 2016.

²⁰ ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the People's Republic of Bangladesh for the Northwest Crop Diversification Project*. Manila.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks	Status of Achievement of Target
Impact Reduced poverty in Bangladesh through agribusiness growth that generates income and employment in rural areas	Agribusiness grows at an annual rate of 2 percentage points above the annual growth rate of GDP by 2010	Government statistics on employment, agriculture production and productivity, trade, import and export, household income, and expenditure surveys	Assumptions Government policies and actions support leading roles of NGOs and private sector in agribusiness. GDP annual real growth of 5%, agribusiness annual growth rate of 7%. Rural infrastructure developed and/or improved and sustained. Government develops and monitors proper statistical framework for agribusiness.	With the increase of demand for diversified quality food products in the domestic market, agribusiness growth, including value addition initiatives, is becoming visible in rural areas through the transformation of subsistence agriculture to commercial agriculture. The project's support and services have facilitated the process of transformation.
	Agribusiness contribution to GDP increased from 10% to 15% by 2020	Bangladesh Bank banking statistics		The contribution of agribusiness to national GDP is growing. The project's support and services contributed and continue to contribute to the growth of agribusiness. Scaling up the current enterprises, establishing new enterprises, and creation of additional employment are underway.
	At least 40,000 small-scale agribusinesses start up or expand, and generate at least 100,000 jobs by 2020			As of the project completion on 31 December 2011, 33,453 agribusiness enterprises had been established creating employment for 90,524 rural workers (1,086,288 person-months of employment per annum). The PCR mission estimated that 100,000 additional jobs could be created by 2020 through expansion of existing enterprises and the establishment of new enterprises with the revolving funds created with the project loan proceeds.
Outcome Expanded activities of rural enterprises engaged in commercial agriculture production, input supply, marketing, processing, and transportation	Investment in agribusiness activities by participating entrepreneurs more than doubles by project completion review.	NGO records Investment, purchasing, and production figures of downstream agro-industries Project benefit monitoring surveys	During the Project implementation period	With increasing market demand, the participating entrepreneurs are increasing their investments to diversify and add value to their products. The sales of agribusiness products also increasing. Average loan size was Tk86,472 during the first loan and Tk135,000 during the sixth loan, and investment has increased 1.56 times during Project implementation (2006-2012). (Source: Department of Marketing (DAM), Ministry of Agriculture. 2012. Dhaka: <i>Project Completion Report</i> . p. 73).

	<p>Sales of agribusiness increase by 30% by project completion review.</p> <p>Number of women agribusiness entrepreneurs increases by 50% by project completion review.</p> <p>Number of employees in agribusiness increases by about 30% by project completion review.</p> <p>The value added per unit of commodities increases by about 20-30% by project completion review.</p> <p>Post-harvest losses drop by 20-30% of value of product by project completion review.</p>	<p>Project progress reports</p> <p>Project completion report</p>		<p>The three participating NGOs reported that almost all the enterprises supported under the project expanded their production and marketing activities, and their sales had increased by an estimated 50% as of the PCR in December 2013.</p> <p>Women became more involved in agribusiness-related interventions due to increased and easier access to finance. Women entrepreneurs represented 36.31% of the total agribusiness entrepreneurs at the end of the project (Appendix 4, para. 3).</p> <p>Additional employment created with new and scaled up agribusinesses, which is still continuing. The PCR reported that a total of 196,914 employees recruited during the project are working in 33,432 enterprises. There were 106,390 existing employees before the project and an additional 90,524 employees were recruited under the project indicating an 85% increase in the number of jobs during 2006-2012. (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i>. p. 26, para. 4.5).</p> <p>Value added per unit of commodities increased by 18.7%–75.0% (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i>. p. 39, article – Value Addition).</p> <p>Post-harvest losses due to improved marketing systems and knowledge among small agribusiness entrepreneurs have decreased. The DAM conducted a study through the Rural Development Academy indicating that 18% of sub-borrowers were successful in reducing post-harvest losses. (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i>. p. 71, para. 19).</p>
<p>Outputs</p> <p>1. Establishment, expansion, and successful operation of agribusiness by</p>	<p>The number of small rural entrepreneurs borrowing and receiving technical support from NGOs</p>	<p>NGO reports and financial statements</p> <p>NGO loan classification data</p>	<p>Assumptions</p> <p>NGOs can maintain high portfolio quality.</p> <p>Entrepreneurs are expanding</p>	<p>The number of small rural entrepreneurs borrowing and receiving technical support from NGOs reached a total of 33,432 by project completion on 31 December 2011.</p>

small-scale entrepreneurs	<p>increase by about 28,000 during the project period</p> <p>On-farm and off-farm employment opportunities increase directly by at least 350,000 person-years over 5 years.</p> <p>Each enterprise receives sub-loans of \$500-\$5,000.</p> <p>30% of the beneficiary entrepreneurs are women.</p> <p>PIU and participating NGOs provide continual technical and marketing support to sub-borrowers.</p> <p>Subsector survey conducted in the first 4 years to identify agribusiness opportunities.</p>	<p>Monitoring by PIU</p> <p>Periodic project reviews</p> <p>Project progress reports</p> <p>Project completion report</p>	<p>enterprises or investing in complementary enterprises.</p> <p>Risks</p> <p>Government sets restrictive limits (interest caps) on NGO lending.</p> <p>Government levies high income tax rate on NGOs that become microfinance institutions.</p>	<p>On-farm and off-farm employment opportunities increased to 452,620 person-years During 2006-2012.</p> <p>The set range for each beneficiary subloan was followed, and at PCR review the average loan size was estimated to be \$1,003.</p> <p>As of the PCR mission, the number of women entrepreneurs was 36.31% compared to the target of 30.0%.</p> <p>PIU and NGOs provided technical and marketing support to sub-borrowers through training, visits, counseling, and guidance.</p> <p>One subsector study was completed in 2010 through the Rural Development Academy, Bogra.</p>
	<p>Over 5 years, about 200 borrower training courses and 60 women entrepreneur training courses offered, field trip offered to 2000 agribusiness entrepreneurs, 18 new producer and marketing associations formed, and 18 value chain link promotion contracts formed.</p>			<p>During 2006-2012, participating NGOs arranged 100 training sessions for 1,936 beneficiaries in 27 agribusiness courses. 591 women entrepreneurs received 4 days of training on entrepreneurship development, and 353 participants received 2 days of training on value chain linkages. During the project period, 14 existing agribusiness associations were trained and the formation and management of eight new associations were supported.</p>

2. Strengthening participating NGOs and banks in agribusiness lending	90% of agribusiness ventures were still operating by project completion review. Sub-borrowers earning profits; Classified loans are less than 5%.			The PCR mission survey noted that 95% of agribusiness enterprises were still operating.
				Sub-borrowers earning profits ranged from 7% to 80% depending on the type of enterprise. (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i> . p. 73). Less than 1% defaulted on their loans. (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i> . p. 65).
	The project credit line (\$36 million equivalent) fully disbursed with classified loans to NGOs less than 5% at project completion.	NGO records and financial statements Wholesale bank records Monitoring by PIU	Assumptions Qualified NGOs and wholesale banks participate as planned. Agribusiness entrepreneurs are properly identified and supported. Effective training provided. Risk Government sets restrictive limits (interest rate caps) on NGO lending.	\$33.61 million was disbursed. (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i> . p. 34-35, table sub-sector and NGO-wise distribution of the agribusiness credit).
	Lending by NGOs to agribusinesses expands by at least 2.5 times over 5 years.	Periodic project reviews Project progress reports		Lending by NGOs to agribusinesses expanded by 3 times during 2006-2012 (Appendix 11, Table A11.1).
	About 30 NGO staff training courses 20 NGO liaison workshops, and 5 training courses on the monitoring and reporting system offered over 5 years.	Project completion report		30 training courses were completed and 30 NGO liaison workshops and seminars were held. The contents integrated inclusion of women entrepreneurs, scaling up of their enterprises, maintenance of sex-disaggregated information, and the recruitment of women.
	About 19 training courses on agribusiness, entrepreneurship and NGO orientation, and NGO loan appraisal and management offered to wholesale bank staff over 5			19 bank staff training courses were implemented.

	years.			
	NGO staff trained on tapping women's potential and addressing gender-based needs.			Training courses that integrated the gender action plan, the role of NGOs, agribusiness enterprise development, and management training were completed.
	With all information disaggregated by gender, monitoring and reporting systems installed in each participating NGO by year 1.			Three surveys were conducted and sex-disaggregated information was generated.
	NGO lending to agribusiness grows annually at 20% and share of total portfolio increases 50% to become 6% of total loan portfolio by December 2011.			NGO lending to agribusiness grew annually on average at 33.8%. (Appendix 11, Table A11.1)
	NGOs sustainably implementing agribusiness programs and attracting commercial financing after project completion.			NGO lending to agribusiness was sustainable, but there were few linkages with the commercial banking system. However, the PCR mission reported that some beneficiary entrepreneurs were able to obtain larger loans from commercial banks that NGOs could not provide due to ceiling restrictions.
3. Strengthened capacity of agribusiness associations in policy dialogue and agribusiness information and technology dissemination.	About 40 agribusiness association strengthening proposals financed.	Annual reports of associations	Assumptions Interest exists among potential agribusiness entrepreneurs. Members perceive that agribusiness associations can play a meaningful leading role. Services provided are	The revised target of 22 associations in the Revised Development Project Proposal was achieved.
	Membership of associations (including women chambers and associations) expands regular meetings are held and officers are elected by open	Regular project monitoring by PIU Regular project progress reports Project disbursement and/or withdrawal applications		28 workshops were held.

	membership votes. About 30 workshops and seminars held.	ADB review missions Project progress reports and project completion report	valuable and attract entrepreneur and association contributions. Risk Agribusiness association leaders concentrate on their own agenda instead of representing the views of a majority of association members, and the industry.	
	About 8 semiannual agribusiness promotion fairs held at throughout the country.			Five fairs were held.
	About 460 paraprofessionals trained in agribusiness promotion.			Target fully achieved.
	Eighteen new producer and marketing associations formed.			Eight new agribusiness associations were formed and are in operation. However, given the scope of agribusiness and marketing in Bangladesh, more associations could be formed and trained.
	Eighteen value/supply chain link promotion contracts formed.			Eighteen value chain link promotion contracts were established and are in operation.
	Forty agribusiness associations strengthening proposals financed.			Fourteen associations strengthened.
	Eight agribusiness promotion fairs held at various locations throughout the country.			Five fairs were held.
	Field trip offered to 2,000 agribusiness entrepreneurs.			The field trip was completed.
	All campaign messages are gender friendly.			All campaign messages were gender friendly.
4. Improved policy environment enabling private	Regulatory and marketing studies successfully completed with participation of NGOs,	Project implementation monitoring through progress reports, semiannual and	Assumption Line agencies staff are committed to reorientation of their role, and appropriate	Three monitoring studies and one subsector review were conducted.

sector participation	wholesale banks, and private sector representatives by 2007.	annual reports of the PIU	trainees are selected for training.	
	Specific actions taken to rectify distortionary regulations by project completion.	ADB review missions	Risks Government does not have sufficient incentive to make recommended changes to regulations and marketing structure.	No specific action was taken.
	Improved market governance system in place by project completion.	Project progress reports and project completion report		Improved market governance system was in place by project completion (Source: DAM. 2012. Dhaka: <i>Project Completion Report</i> . para.19).
	Women participating in the consultation and workshops.	Training course completion reports	Parliament might not approve or pass critical proposed legislative changes.	Five regional workshops on the topic of women in agribusiness were held (55% of the participants were women) as well as a workshop on the gender action plan (29% of the participants were women).
	Ministry of Agriculture and other line agency staff made familiar with characteristics of agribusiness activities and their potential role in stimulating and supporting agribusiness.			284 Government officials including MOA and MOF were trained on agribusiness activities under the project (Appendix 3, Table A3.13)
Activities with Milestones				Date of Completion
1. Project management and start-up 1.1 Project implementation unit set up and functioned by January 2006 1.2 All consultants recruited by June 2006 1.3 Agreements and operating arrangements with wholesale banks and NGOs finalized by June 2006 2. Credit for small-scale agribusinesses 2.1 First disbursement of the agribusiness credit line by March 2006 2.2 NGO selection of sub-borrowers begins March 2006 2.3 NGO lending with supporting services begins by June 2006 3. Technical and marketing support for agribusinesses 3.1 Training and support for small entrepreneurs First agribusiness subsector survey begins February 2006 Training and support for small entrepreneurs begins March 2006 3.2 Strengthening of agribusiness associations				July 2006 Started August 2009 and completed December 2011 December 2006 May 2007 January 2007 May 2007 February 2010 (one out of four studies undertaken) June 2008

Activities with Milestones	Date of Completion
Agribusiness association strengthening proposals received by March 2006 Proposals assessed by June 2006 Implementation of proposals commenced by September 2006	January 2007 March 2007 July 2007
3.3 Agribusiness information and technology dissemination Agribusiness promotion proposals received by March 2006 First contracts for agribusiness promotion given by June 2006 Agribusiness promotion activities commence by September 2006	May 2007 July 2007 September 2007
4. Strengthening capacity of participating NGOs and wholesale bank in agribusiness lending	
4.1 Strengthening participating NGOs Business plans of NGOs reviewed by June 2006 Initial training programs for NGOs formulated by September 2006 Training programs for participating NGOs begin by January 2007	May 2008 June 2008 June 2008
4.2 Strengthening wholesale banks Training program for wholesale bank staff formulated by June 2006 Training programs for wholesale bank staff initiated by September 2006	March 2007 May 2007 July 2007
4.3 Monitoring and reporting system set up in participating NGOs and wholesale banks by June 2006	
5. Improving the enabling environment for agribusiness	
5.1 Agribusiness cell set up and functioning by January 2006	July 2006
5.2 Regulatory policies Policy study begins by September 2006, and completed by March 2007 Consultations of recommendations completed by June 2007 Approval of recommended changes by December 2007	Not started during project but initiated during PCR Yet to be completed Yet to take place
5.3 Market management Marketing study begins by September 2006 Consultations commence by March 2007 Approval of recommended changes by January 2008	Not started during project but initiated during PCR Yet to be completed Yet to take place
5.4 Agribusiness training for the government staff Formulation of agribusiness training program commences by March 2006 and completed by September 2006 Training program commences by January 2007	Started June 2008 and completed December 2011 June 2008

ADB = Asian Development Bank, GDP = gross domestic product, NGO = nongovernment organization, PCR = project completion review, PIU = project implementation unit.

PROJECT AGRIBUSINESS CREDIT

Table A2.1: Areas Covered, Entrepreneurs Served, and Employment Created

Participating NGOs	Gross Coverage		Entrepreneurs Served	Employment Created
	Districts	Upazilas		
ASA	53	393	13,531	30,617
BRAC	33	162	9,054	32,341
TMSS	43	168	10,847	27,566
Total	60	425	33,432	72,896

ASA = Association of Social Advancement, BRAC = Bangladesh Rural Advancement Committee, NGO = nongovernment organization, TMSS = Thengamara Mohila Sabuj Sangha.

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.34

Table A2.2: Agribusiness Credit Funds Provided to Participating Nongovernment Organizations by Wholesale Banks
(Tk million)

Wholesale Bank	Agribusiness Credit Funds Disbursed to NGOs			
	ASA	BRAC	TMSS	Total
Bangladesh Small and Industries Commerce Bank	431.485	431.484	431.484	1,294.454
Eastern Bank	557.080	550.080	328.300	1,435.460
Total	988.565	981.564	759.784	2,729.914

ASA = Association of Social Advancement, BRAC = Bangladesh Rural Advancement Committee, NGO = nongovernment organization, TMSS = Thengamara Mohila Sabuj Sangha.

Source: Department of Marketing. 2012. Dhaka. *Project Completion Report*. p. 34

Table A2.3: Entrepreneurs Served with Agribusiness Enterprise Credit

Participating NGOs	Numbers of Entrepreneurs Served by Gender				
	Male	%	Female	%	Total
ASA	9,586	74.84	3,945	29.16	13,531
BRAC	6,409	70.78	2,645	29.22	9,054
TMSS	5,298	48.84	5,549	51.16	10,847
Total	21,293	63.69	12,139	36.31	33,432

ASA = Association of Social Advancement, BRAC = Bangladesh Rural Advancement Committee, NGO = nongovernment organization, TMSS = Thengamara Mohila Sabuj Sangha.

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.34.

Table A2.4: Agribusiness Credit Disbursement by Participating Nongovernment Organizations
(Tk million)

Subsector	Crops		Fisheries		Livestock		Total	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number
Production	459.66	6,204	282.92	3,500	289.41	3,891	1,031.99	13,595
Processing	189.02	2,221	43.49	516	68.93	875	301.44	3,612
Marketing	573.72	7,120	240.86	2,578	392.68	4100	1,207.26	13,798
Input Supply	116.01	1,497	24.28	359	48.85	571	189.14	2427
Total	1,338.45	17,042	591.54	6,953	799.88	9,437	2,729.83	33,432
%	49.03	50.97	21.67	20.80	29.30	28.23	100.00	100.00

Source: Department of Marketing. 2012. *Project Completion Report*.p.34-35. Dhaka

Table A2.5: Loan Sizes

Loan No.	% Sub-borrowers	Average Loan Size (Tk)	% Loan cases with loan size of Tk35,000–Tk350,000	% Loan Cases over Tk350,000
First	100.00	86,472	95.00	3.74
Second	79.73	122,144	90.00	8.97
Third	44.02	131,736	93.00	6.53
Fourth	19.60	168,280	76.00	24.00
Fifth	6.31	155,263	93.00	6.78
Sixth	1.32	135,000	100.00	0.00

Source: ADB. 2014. Dhaka. Project Completion Review Mission Survey

Table A2.6: Revised Annual Development Program (ADP) Allocation and Disbursements
(Tk million)

Fiscal Year	Amount per Revised ADP			Amount Released	Actual Expenditure			% Utilized
	Total	Taka	Project Aid		Total	Taka	Project Aid	
2007	1037.200	17.200	1020.000	9.600	255.070	2.409	252.661	24.77
2008	596.100	22.500	573.600	16.299	539.693	12.581	527.112	91.90
2009	747.100	15.000	732.100	15.000	720.946	8.701	712.245	97.29
2010	879.500	14.500	865.000	14.500	850.088	9.741	840.347	97.15
2011	169.500	12.500	152.200	12.500	160.267	12.165	148.102	94.33
2012	190.200	13.000	177.200	9.750	182.715	8.820	173.895	98.13

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.12

TRAININGS PROGRAMS

Table A3.1: Summary of 3-Day Enterprise Development Training

Division		Trainings Organized	
		Training Sessions	Total Participants
1	Rangpur	8	159
2	Rajshahi	25	498
3	Dhaka	35	663
4	Sylhet	4	77
5	Khulna	9	180
6	Barisal	3	59
7	Chittagong	16	300
Total		100	1,936

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.42-46

Table A3.2: Details of 3-Day Enterprise Development Training

Subject Area	Training Course	Number of Trainees
Poultry	Poultry Feed Enterprise Development	20
Broiler	Broiler Enterprise Development	215
Layer	Layer Enterprise Development	136
Dairy	Dairy Enterprise Development	250
Beef Fattening	Beef Fattening Enterprise Development	40
Fisheries	Fisheries Enterprise Development	20
Fish Processing	Fish Processing Enterprise Development	22
Carp Fish	Carp Fish Enterprise Development	281
Cat Fish	Cat Fish Enterprise Development	21
Shrimp	Shrimp Enterprise Development	21
Bagda Shrimp	Bagda Shrimp Enterprise Development	80
Galda Shrimp	Galda Shrimp Enterprise Development	40
Rice Processing	Rice Processing Enterprise Development	96
Aromatic Rice	Aromatic Rice Enterprise Development	61
Maize	Maize Enterprise Development	20
Potato	Potato Enterprise Development	82
Potato Seeds	Potato Seed Enterprise Development	40
Chili	Chilies Enterprise Development	20
Jute	Jute Enterprise Development	20
Mango	Mango Enterprise Development	19
Fruits	Fruits Processing Enterprise Development	60
Winter Vegetables	Winter Vegetables Enterprise Development	148
Summer Vegetable	Summer Vegetables Enterprise Development	74
Nursery	Nursery Enterprise Development	70
Flower	Flower Enterprise Development	21
Betel Leaves	Betel Leaves Enterprise Development	39
Inputs Supply	Agricultural Equipment Enterprise Development	20
Total Number of Participants in the Training Courses		1,936

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.42-46

Table A3.3: 4-Day Entrepreneurship Development Training of Women Entrepreneurs

Division		Training Courses Organized	
		Number of Courses	Total Participants
1	Rangpur	4	79
2	Rajshahi	8	158
3	Dhaka	8	154
4	Sylhet	1	20
5	Khulna	5	100
6	Barisal	0	0
7	Chittagong	4	80
Total		30	591

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.47-48

Table A3.4: Value Chain Interventions

Value Chain Intervention		Subsector	Cluster
1	Value-added services to the contract rearers of the mini chilling center	Dairy	Shahjadpur
2	Value-added services for cottage ghee industry	Dairy	Ullapara
3	Safe dry fish production	Marine fish	Cox's Bazar
4	Value-added services to betel leaf producers	Crop	Moheshkhali
5	Pesticide-free safe chili production	Spice	Ishurdi
6	Pesticide-free safe vegetable production	Tomato	Ishurdi
7	Safe vegetable production	Vegetables	Ulukhola
8	Value-added services to mung bean cultivars	Mung bean	Patuakhali
9	Promotion of rental service of agriculture machinery	Agriculture Machinery	Low lying areas of Bogra region
10	Value-added services to spice producers (ginger and turmeric)	Spice	Madhupur
11	Cucumber value chain	Vegetables	Charfashion
12	Safe pineapple production	Fruits	Madhupur
13	Floriculture value chain	Floriculture	Godkhali
14	Value chain development on season-long fruits processing	Fruit	Bandarban

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.50

Table A3.5: 2-Day Training on Value Chain Linkages

Training Course		Participants	
		Area	Number
1	Value Chain Development on Safe Tomato and Bitter Gourd	Gazipur	38
2	Value Chain Development on Safe Tomato	Pabna	41
3	Value Chain Development on Safe Chilies	Pabna	41
4	Value Chain Development on Dairy Business	Sirajgonj	40
5	Value Chain Development on Safe Dried Fish Processing	Cox's Bazar	32
6	Value Chain Development on Safe Turmeric and Ginger	Bogra	50
7	Value Chain Development on Flower Business	Jessore	53
8	Training on Ranguai Mango Preservation, Processing, and Bottling	Bandarban	58
Total Participants			353

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.50

Table A3.6: Newly Formed Agribusiness Associations with Project Supports

	Name of New Association	Subsector	Composition	Location	Project Intervention
1	Bansh o Bet Shilpa Nari Uddyukta Samity	Bamboo and cane	Women	Ghitary, Mymensingh	Formation, leadership governance, promotion
2	Compost Shar Utpadak O Paribeshak Samity	Compost fertilizers	Women	Cox's Bazar	Formation, leadership governance, promotion
3	Bahujat Pat Ponno Nari Shilpi Uddyukta Samity	Jute	Women	Shalutikar Pat Pally, Sylhet	Formation, leadership governance, promotion
4	Mushroom Unnyan Nari Uddyukta Samity	Mushroom	Women	Baluchar, Sylhet	Formation, leadership governance, promotion
5	Spices Producers Association	Spices (turmeric, ginger)	Women and men	Bandarban	Promotion, development, linkage, promotion
6	Vegetable Producers Association	Vegetables	Women and men	Bandarban	Promotion, development, linkage, promotion
7	Fruit Producers Association	Fruits	Women and men	Bandarban	Formation leadership, governance, technology for fruits processing bottling, promotion
8	Debnagar Krishak Unnayan Samobay Samity	Vegetables	Women and men	Panchagarh	Formation, leadership governance, promotion

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.49

Table A3.7: Existing Agribusiness Associations Strengthened with Project Supports

	Name of Association	Subsector	Location	Project Intervention
1	Godkhali Phulchashi Samity	Floriculture	Godkhali, Jessore	Governance, management, post-harvest handling, product promotion
2	Idilpur Anaras Chashi Bahumukhi Samobay Samity	Pineapple and spices	Madhupur, Tangail	Governance, management, safe production technology promotion
3	Savar Kumar Khoda Phulchashi Samity	Floriculture	Savar, Manikganj	Management, governance, post-harvest handling promotion
4	Shurjamukhi Mahila Samity	Fruits	Laimipara, Bandarban	Governance, technology for fruits processing bottling, promotion
5	Faruqpara Bawm Mahila Bahumukhi Samobay Samity Ltd.	Fruits and Spice	Faruqpara Bandarban	Agribusiness paraprofessional development, marketing
6	Chimbuk Falchashi Bahumukhi Samobay Samity	Fruits	Chimbuk, Bandarban	Agribusiness paraprofessional development, marketing
7	Development Effort for Self Help (DESH)	Livestock, fisheries, and high value crops	Kabirhat, Noakhali	Agribusiness paraprofessional development linkage with Small and Medium Enterprises (SME).
8	Al-amin Jubo Kallyan Society	Livestock, fisheries, and high value crops	Sadar, Feni	Agribusiness paraprofessional development linkage with SMEs Banks

	Name of Association	Subsector	Location	Project Intervention
9	Meghna Bahumukhi Unnayan Sangstha	Livestock, fisheries, and high value crops	Komolnagar, Lakshmipur	Agribusiness paraprofessional development linkage with SMEs
10	Muhurugani Bahumukhi Samobay Samity	Livestock, fisheries, and high value crops	Chagolnaiya, Feni	Agribusiness Para-Professional Development linkage with SMEs
11	Munshirhat Palli Unnayan Sangstha	Livestock, fisheries, and high value crops	Phulgazi, Feni	Agribusiness Para-Professional Development linkage with SMEs
12	Burirchar Samonnito Matshya Somobay Samity	Livestock, fisheries, and high value crops	Burirchar, Barguna	Agribusiness Para-Professional Development linkage with SMEs
13	Char Samayya Samonnito Matshya Kallyan Samobay Samity	Livestock, fisheries, and high value crops	Char Samayya, Bhola	Agribusiness Para-Professional Development linkage with SMEs
14	Badarpur Union Saminnito Matshya Samobay Samity	Livestock, fisheries, and high value crops	Sadar, Patuakhali	Agribusiness Para-Professional Development linkage with SMEs

Note: Although there were no associations with only women members, all associations included women as members.

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p.51

Table A3.8: Summary of 2-Day Training of Trainers for Paraprofessionals on Value Chain

Division		Training Courses Organized	
		Number of Courses	Total Participants
1	Rangpur	0	0
2	Rajshahi	5	172
3	Dhaka	1	38
4	Sylhet	0	0
5	Khulna	2	53
6	Barisal	0	0
7	Chittagong	3	90
Total		11	353

Note: Although there were no associations with only women members, all associations included women as members.

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*. p. 51-52.

Table A3.9: Training of Trainers for Agribusiness Paraprofessional Development

Implemented by	Venue	Participants' Location	Dates	No. of participants
BIM	Dhaka	Dhaka	12–15 Oct 10	20
BIM	Dhaka	Dhaka	12–15 Oct 10	20
BIM	Dhaka	Dhaka	18–21 Oct 10	20
SCITI	Dhaka	Patuakhali	22–25 May 10	21
SCITI	Dhaka	Patuakhali	22–25 May 11	21
SCITI	Dhaka	Noakhali	26–29 May 11	22
SCITI	Dhaka	Bhola	26–29 May 11	25
SCITI	Dhaka	Laxmipur & Feni	30 May–2 Jun 11	23
SCITI	Dhaka	Bogra	9–12 Oct 11	25
SCITI	Dhaka	Panchagor	12–15 Oct 11	25
SCITI	Dhaka	Bandarban	21–24 Oct 11	25
SCITI	Dhaka	Dhaka & Tangail	24–27 Oct 11	25
SCITI	Dhaka	Sirajgonj	25–28 Oct 11	24

Implemented by	Venue	Participants' Location	Dates	No. of participants
SCITI	Dhaka	Pabna	13–16 Nov 11	17
SCITI	Dhaka	Dinajpur	13–16 Nov 11	11
SCITI	Dhaka	Thakurgaon	17–20 Nov 11	25
SCITI	Dhaka	Nilphamari	21–24 Nov 11	25
SCITI	Dhaka	Jaypurhat & Naogaon	24–27 Nov 11	20
SCITI	Dhaka	Lalmonirhat	26–29 Nov 11	15
SCITI	Dhaka	Chapai Nawabgonj	26–29 Nov 11	21
Total				430

BIM = Bangladesh Institute of Management; SCITI = Small and Cottage Industries Training Institute.
Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*

Table A3.10: Workshops Organized under the Project

	Workshop Title	Participants
1	National Agribusiness Policy	46
2	Reorganization of the Department of Agricultural Marketing	75
3	Value Chain System Development in Vegetables, Fruit, and Spices Subsector at Iswardi Upazila of Pabna District	57
4	Value Chain Development in Fish Business in Haor Areas in Sunamganj	50
5	Value Chain System Development in Large Milk Shed of Sirajgonj District	53
6	Value Chain Linkage Development of Dairy Subsector in Tungipara, Gopalganj	52
7	Value Chain Linkage in Promotion in Agriculture	73
8	Value Chain Linkage Promotion in Agribusiness	147
9	Approaches for Value Chain-Based Interventions in Agribusiness	50
10	Value Chain Linkage Promotion in Agribusiness	162
11	Value Chain Linkage Promotion in Bamboo and Cane Products in Sylhet	56
12	Value Chain Linkage Promotion in Cucumber in Charfason Upazila of Bhola	52
13	Value Chain Linkage Promotion and Access to Finance in Noakhali District	60
14	Supply and Value Chain Development in Agribusiness Enterprise in Chittagong Region	50
15	Supply and Value Chain Development in Koel & Flower Business in Jessore District	56
16	Gender Action Plan of Bangladesh Agribusiness Development Project	50
17	Women Entrepreneurs in Agriculture: Scope and Constraints in Khulna Region	62
18	Women Entrepreneurs in Agriculture: Scope and Constraints in Barisal Region	55
19	Women Entrepreneurs in Agriculture: Scope and Constraints in Chittagong Region	49
20	Women Entrepreneurs in Agriculture: Scope and Constraints in Sylhet Region	52
21	Women Entrepreneurs in Agriculture: Scope and Constraints in Rajshahi Region	53
22	Agribusiness Development in North-West Region: Challenges and Opportunities	53
23	Agribusiness Opportunities in Cox's Bazar District	59
24	Agribusiness Opportunities in Bandarban Hill District	53
25	Agribusiness Opportunities in Coastal Region of Bangladesh: Patuakhali	55
26	Exploration of Agribusiness Opportunities in Bogra District	55
27	Exploration of Agribusiness Opportunities in Laxmipur District	65
28	Exploration of Agribusiness Opportunities in Panchagarh District	65
29	Exploration of Agribusiness Opportunities of Value Added in Jamalpur District	82
30	Exploration of Agribusiness Opportunities of Value Added in Kishoregonj District	84
31	Agribusiness Opportunities in Madhupur Tract	51
32	Problems and Prospects of Crab Business in Satkhira District	54
33	Agribusiness in Medicinal Plants – Constraints and Opportunities in Natore District	54
34	Setting Key Monitoring Indicators for Agribusiness Association Strengthening and Value Chain Based Interventions of the Project	56

	Workshop Title	Participants
35	Benefit Monitoring and Evaluation – Framework of the Project	83
36	Second Benefit Monitoring and Evaluation Survey under the Project	55
37	Key Findings of the Second Benefit Monitoring and Evaluation Survey under the Project	56
38	Third Benefit Monitoring and Evaluation Survey under the Project	91
39	Training Program Implementation under the Project	49
40	Rental Service of Paddy Threshing and Post-Harvest Loss Minimization	50
41	Agribusiness Information and Technology Dissemination	59
42	Achievements and Lessons Learnt from Value Chain-Based Intervention and Agribusiness Association Strengthening	54
	Total	2,643

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.55-56

Table A3.11: 3-Day Training of Nongovernment Organization Staff

	Training Course	Courses	Participants
1	Financial Management	5	105
2	Agribusiness Enterprise Development	21	418
3	Marketing Management	4	83
4	Monitoring and Reporting	5	96
	Total	35	702

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.58-59

Table A3.12: 3-Day Training of Bank Officials

	Training Course	Courses	Participants
1	Procedural and Analytical Aspects of Agribusiness	1	20
2	Orientation of Nongovernment Organization Enterprises	1	20
3	Nongovernment Organization Loan Appraisal and Management	1	20
4	Agribusiness Enterprise Development and Management	16	317
	Total	19	377

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.61-61

Table A3.13: 2-Day Training of Government Officials

	Training Course	Courses	Participants
1	Public Sector Role in Agribusiness Development – Crop Sector	1	28
2	Public Sector Role in Agribusiness Development – Fisheries Sector	1	23
3	Public Sector Role in Agribusiness Development – Livestock Sector	1	25
4	Orientation of Government Officials on Agribusiness Promotion	13	208
	Total	16	284

Source: Department of Marketing. 2012. Dhaka: *Project Completion Report*.p.62-63

IMPLEMENTATION OF GENDER ACTION PLAN

1. The Bangladesh Agribusiness Development Project was approved by the Asian Development Bank (ADB) in October 2005 and became effective in November 2006. The project faced an initial delay in implementation and was completed in November 2012. The project implementation unit (PIU), headed by a project director under the Department of Agricultural Marketing (DAM), was in charge of implementation in collaboration with three nongovernment organizations (NGOs) and two banks for credit financing.

Project impact: To reduce poverty in Bangladesh through agribusiness growth that generates income and employment in rural areas.

Project outcome: Expanded activities of rural enterprises engaged in commercial agriculture production, input supply, marketing, processing, and transportation.

Project description (outputs and scope): The project consisted of five interlinked components.

Component 1: credit for small-scale agribusinesses

Component 2: technical and marketing support for agribusinesses

- a. training and support for small entrepreneurs
- b. strengthening of agribusiness associations
- c. agribusiness information and technology dissemination

Component 3: strengthening capacity of participating NGOs and wholesale banks in agribusiness lending

Component 4: improving the enabling environment for agribusiness

- a. identifying and correcting major policy constraints
- b. strengthening public sector agencies in agribusiness governance, support, and promotion

Component 5: project implementation support

2. **Gender action plan features.** A project-wide gender action plan (GAP) incorporated gender design features across all project components. The implementation was delayed due to delays in project effectiveness and recruitment of consultants. In 2009, a gender and development consultant was recruited and a GAP implementation plan was developed. The key elements of the revised GAP included: (i) at least 8,400 of 28,000 (30%) borrowers of this project to be promoted as women entrepreneurs; (ii) at least 10% of the revolving fund earmarked for lending to women entrepreneurs; (iii) NGOs to help borrowers to prepare project for lending; (iv) women entrepreneurs to have trade licenses and be aware of tax payments; (v) formation of women producer groups and linking of women with associations; (vi) at least 50% employment opportunities created for the poor women; and (vii) ensuring of women's representation in project management. The project was to capture all data in a sex-disaggregated manner and provide gender-based analysis using the NGOs as the main data source.

A. Assessment of Gender-Related Results from the Gender Action Plan

Practical Gender Benefits

3. **Women's access to credit.** The project supported women in achieving practical gender benefits by supporting 12,139 women (representing 36.31% of the total borrowers) in scaling up their enterprises through financial and technical support. About 33.33% of the women borrowers received training from

NGOs after joining the project, and 20% received training directly from the project, directly increasing women's employment and income, and increasing the well-being of their families.¹

4. **Employment generation and income.** Of the 90,524 employed persons in 33,432 enterprises, about 35% were women at the end of the project. A total of 3,116,280 person-months of employment were generated. On average, annual employment generated per enterprise are: 1.47 male and 2.49 female laborers. The monthly average income ratio of female to male increased from 0.55 during pre-Project period to 0.64 after the Project.² The average monthly income for women entrepreneurs was lower than that of men entrepreneurs (Tk77,849 for men and Tk37,313 for women).

5. **Investment and borrowing.** The average investment for women was lower (Tk259,364) compared to that of men (Tk265,025). The NGOs and banks did not feel confident lending higher amounts to women as women often did not possess assets for guarantee and had less exposure and experience in enterprise management. Some NGOs took guarantees from husbands. The trend of lending higher amounts to women by NGOs and banks under the Project is appreciable.

6. **Expenditure and assets.** Of the entrepreneurs, 73.09% used their business income for expansion of their business, 10.96% for starting a new business, and 29.07% for operating an existing business. A major share of the income was used for family well-being, such as children's education (63.62%), health (59.30%), and other family expenses (42.03%). Many entrepreneurs invested in accumulating assets like land (30.90%), furniture (15.61%), home appliances (11.96%), and/or motorcycles (6.15%). Women entrepreneurs were offered 12 training courses attended by 248 participants. The rate of participation of women was 49.23% in the five regional workshops. In addition, seminars were held in each of the seven divisional headquarters.

Strategic Gender Benefits

7. **Involvement in diversified trades and value chain.** Women's involvement and participation in agro-production increased in diversified areas at different levels of the value chain. Women generally are involved at the lower end of the value chain due mainly to social barriers and a lack of skills, resources, and mobility. Of the 18 main agribusiness ventures monitored, 11 ventures owned by women focused on dairy farming, crop production, and fish rearing. Though women were engaged in processing industries, their participation was highest in agro-production. Therefore, there remains a need for continued support to women to enable them to diversify and scale up their enterprises, and access other levels of the value chains. The project completion review (PCR) survey found that 36% of the 300 enterprises surveyed were owned by women (Appendix 12, Table 12.1).

8. **Management of enterprise.** Women entrepreneurs are gradually gaining management skills and taking more responsibilities. Women are often dependent on their family members for managing the business and marketing their products. In some cases, they are used as proxy sub-borrower. According to the third benefit monitoring and evaluation (BME) report of DAM, 34.36% of the women entrepreneurs operated their businesses by themselves, 34.36% operated them jointly with other women, 24.10% operated them with their husbands, and 7.18% with others (e.g., father, brother, son, etc.)³. In the BME study, 53.85% of women entrepreneurs indicated they made business decisions by themselves, 81.90% discussed their decisions with their husbands, and 13.33% discussed with others. The PCR survey found that of the 300 enterprises surveyed, 22% were managed by women (appendix 12, Table A12.1).

9. **Improved status.** The project significantly contributed toward improving the status of women, with 87.69% indicating that their social status had improved after joining the project and 77.44% noting

¹ Sources: GAP Implementation Report January 2012 and the Executive Summary of 3rd BME Survey conducted during September-October, 2011 on a random sample of 602 sub-borrowers covering all the 59 districts under all the 7 divisions of the country.

² Monthly average pre-project incomes were: Tk3,123 for women compared to Tk5,707 for men; and monthly average Post-project income was: Tk5,045 for women compared to Tk7,885 for men.

³ See footnote 1 for reference

that their social participation had increased.⁴ The project also directly created a space for women by allotting spaces for women in agribusiness associations and linking women with markets and associations.

10. **Control over resources and changes in livelihoods.** Although women gained employment from the enterprises supported by the project, the impact that this may have had on decision-making power within families regarding expenditure of household budgets is not known. The BME survey found that 69.74% of the surveyed women are able to spend business money by themselves. The PCR survey found that 81.80% of women working in agribusiness enterprises were free to spend income from their agribusiness activities.

B. Other Gender-Related Achievements of the Project

11. The BME report identified the other important factors of the GAP as listed briefly described here:

- (i) The project provided women with access to information and technology related to agribusiness development, value chain, market linkage, and associations, which were beneficial to women for economic empowerment.
- (ii) On an average, an enterprise generated 5.51 person-years of full time employment of which 1.55 person-years family labor (1.73 male and 1.21 women) and 3.96 person-years hired labor (1.47 male and 2.49 female) by the end of the project. Besides, on an average 3.44 person-years of part time labors were employed by an enterprise of which 1.56 person-years were for family and 2.19 person-years for hired labor.
- (iii) The average daily wage of a laborer engaged in a small agribusiness enterprise increased to Tk197 after the project (Tk221 for men and Tk152 for women) from Tk146 (Tk164 for men and Tk111 for women) before the project. In general, wages increased by about 36% but the wage gap between women and men laborers was still significant. The project continued motivational activities amongst the entrepreneurs to promote equal wages for men and women.
- (iv) Overall payments to employees increased by 43% by the end of the project period. Increase for men employees was by 36% and for women by 87%. By the end of the project, loan distribution increased from 31.7% to 33.15% among the women entrepreneurs who were former micro-credit borrowers.

C. Resources Allocated by the Project for Gender Action Plan Implementation

12. The project could not utilize the consultancy provisions initially due to problems in the hiring of the consulting firm. The Project Management Office (PMO) hired a gender specialist for a period of 1 year, and the specialist prepared the GAP implementation plan. Project resources were allocated for training, credit, and other elements related to GAP implementation. The project developed visual material on GAP implementation and disseminated them to borrowers through the participating NGOs.

D. Monitoring and Reporting of Gender Action Plan Implementation

13. The PMO monitored the implementation of gender action plan. Although the participating NGOs were given training to extract sex-disaggregated data, the related data was not received from all areas regularly. The first GAP implementation report was prepared in 2009 but was discontinued in 2010 due to absence of a gender specialist. The reporting was initiated again in 2011 to capture project results as per the agreed format developed during a workshop organized for Project Directors and senior officers of ADB-supported projects.

E. Factors Supporting Progress of the Gender Action Plan Implementation

⁴ DAM. 2011. *3rd Benefit Monitoring and Evaluation Survey Report of BADP*. Dhaka

14. Significant achievements in GAP implementation were made despite the initial delays in project implementation and absence of a full-time gender specialist. The factors supporting progress of the GAP were:

- (i) The specific targets set by the project for supporting women entrepreneurs and addressing gender equality.
- (ii) The initiatives from NGOs to serve women beneficiaries, especially the microcredit graduates.
- (iii) Support from project management for addressing gender-based needs through the NGOs.
- (iv) Improved capacity of the project team for gender mainstreaming, assisted by the project gender specialist and support from the Bangladesh Resident Mission gender team.
- (v) Tailored issue-based gender-focused materials for communication at the grassroots level.
- (vi) Development of training modules and delivery of training in Bangla for entrepreneurs.

F. Constraints Encountered in Gender Action Plan Implementation

15. Despite the fact that GAP implementation was generally on track, some areas had low achievements and outstanding challenges. These included:

- (i) Lack of guidance in the absence of a gender specialist on how to achieve the GAP targets and activities.
- (ii) Varied levels of understanding and commitment to GAP by participating NGOs.
- (iii) More attention by NGOs toward credit operation than social and gender development and supporting women in entering higher levels of the value chain.
- (iv) Delays in forming producer groups and associations.
- (v) Delays in starting GAP implementation.
- (vi) Varied capacity of NGO partners in responding to gender-based needs for scaling up of operation of enterprises.
- (vii) Women's general lack of skills and resources, and their low confidence and support in undertaking new ventures.
- (viii) NGOs' and banks' lack of confidence in women's creditworthiness, in general, resulting in allocations of small amounts of credit that did not meet their credit needs.

G. Gender Action Plan Targets

16. Numerical targets for women's participation have already been met. Field visits suggest that women were able to access institutional finance and market linkages. Achievement in certain areas fell short of the targets, such as the recruitment of women staff, which was impacted by the government's system of recruitment and promotion.

H. Contribution of Gender Action Plan and Gender Results to Overall Project Results

17. Entrepreneurship development and employment creation in the agribusiness subsector were the key objectives of the project. The targets for women's participation and enhancement of their technical knowledge and market access were highly relevant in contributing towards achieving the overall project results. The quality of women's participation improved but needed further support to ensure equal benefits for women from these activities. Project support contributed towards improvement of the quality of living in beneficiary households on a sustained basis. Continuation of the revolving credit fund for 10 years beyond the project period (2012-2021) will effectively meet the needs of the entrepreneurs, including women, on a sustained basis. The GAP was an essential tool for the project, and the gender-related targets in the design and monitoring framework related to the growth in the number of women entrepreneurs have been met.

I. Recommendations for Future Follow-Up

18. The government agreed to continue the credit component for 10 years beyond the project period (2012-2021). This has enabled the entrepreneurs to receive continued assistance from the NGOs. There

is scope for expansion of coverage which is likely to make the project's impact more sustainable. Recommendations to enhance, consolidate, and sustain the GAP results for similar projects include the following:

- (i) Continue the monitoring mechanism through the field offices of the DAM.
- (ii) NGOs to continue providing financial support and more technical support in the form of training, follow-up, and market information and linkages for scaling up and diversification of enterprises owned by women.
- (iii) Support for developing capacity of enterprises run by women in preparing business profile and proposals will help in accessing institutional finance.
- (iv) Compile a list along with profiles of the entrepreneurs for future follow-up and institutional support.
- (v) Continued training of entrepreneurs on payment of equal wages to women and men.
- (vi) Include key gender-related information on the websites of the DAM, banks, and NGOs.
- (vii) Continue use of the training materials by NGOs and the DAM's core program.

Table A4.1: Progress of the Gender Action Plan by Component

Activities	Progress During Project Period
Component 1: Credit for Small-Scale Agribusinesses	
<ul style="list-style-type: none"> a. Review the guideline and arrange orientation for borrower selection criterion of NGOs to select female entrepreneurs. b. Organize training of trainers and refresher training for NGO trainers groups. c. 10% of the revolving fund will be earmarked for lending to female entrepreneurs. d. NGOs help borrowers to prepare project, and at least 50% of employment opportunities exist for poor females, with an average of two positions to be created in each enterprise. 	<ul style="list-style-type: none"> a. PIU reviewed guideline and arranged briefing among the NGOs, which followed the borrower selection criterion according to guidelines. Also, the structure of the management committee of the Agribusiness Association was formulated to include at least two women entrepreneurs. b. 12 training modules developed; NGOs have received training on the GAP. c. NGOs supported to the preparation and revision of the business plan of former microfinance borrowers to scale up their activities for the targeted credit program. Women constituted 36.31% of the 33,432 total borrowers; 12,139 women entrepreneurs received 33.15% of the Tk822.35 million distributed among the borrowers. d. 90,524 persons were employed by the 33,432 enterprises (an average 2.7 persons per enterprise). An estimated 53% were women in 18 types of agribusiness ventures.
Component 2: Technical and marketing support for agribusiness enterprises	
<p>2.1 Raise awareness among potential entrepreneurs to inform them of the business services and credit line opportunities as well as agribusiness technologies.</p> <ul style="list-style-type: none"> a. Develop appropriate messages and organize periodic campaigns and information dissemination activities, including through local government institutes and local market management committees. 	<ul style="list-style-type: none"> a. One newsletter published and circulated among the stakeholders; success stories disseminated through newspapers and TV;
<p>2.2 Ensure all the campaign messages and dissemination methodologies are gender friendly.</p> <ul style="list-style-type: none"> a. Produce issue-based awareness program for broadcast to promote female entrepreneurs in agribusiness using local folk culture 	<ul style="list-style-type: none"> a. Developed visual materials on agribusiness development by women and disseminated them to community borrowers through participating NGOs; NGOs established linkages with local media to publish success stories; PIU produced documentary on family nursery and dairy farming business.

Activities	Progress During Project Period
<p>2.3 Capacity building of potential female entrepreneurs in agribusiness.</p> <ul style="list-style-type: none"> a. Provide training for female entrepreneurs and/or borrowers on business planning and management, preparation of project proposals, credit management (including financial control), reporting, etc. b. To ensure gender-friendly training packages, keep provision in the budget to ease participation by mothers accompanied by their children to ensure participation of female borrowers. c. Arrange fair on agribusiness at district level comprising local financial institution, female entrepreneurs, and local business associations. d. Organize experience sharing and motivational visits within the project area. 	<ul style="list-style-type: none"> a. Training modules developed. As of December 2011, participating NGOs provided training for 4,383 women entrepreneurs. 30 training courses were offered for women entrepreneurs, while 600 women agribusiness entrepreneurs participated. Training courses offered for women entrepreneurs on business management included legal requirements for setting up and operating a business. Skills on trades were provided through enterprise development training. b. Training unit advised to keep provision in the budget for attendance of children. c. Five trade fairs were organized. d. 2,600 entrepreneurs completed experience sharing and motivational visits, of which 600 were women.
<p>2.4 Advocacy and Networking :</p> <ul style="list-style-type: none"> a. NGOs and PIU support linkages of women entrepreneurs with associations, market, financial institutions, private sector, and potential associations to promote women in agribusiness through organizing seminars, trade fairs, rallies, etc. b. Publish and distribute newsletter containing the latest agribusiness-related information, focusing on constraints and successes of the female entrepreneurs. c. NGOs will ensure regular consultations with the existing associations for integrating women agribusiness entrepreneurs. 	<ul style="list-style-type: none"> a. Organized five regional workshops in five divisions on women in agribusiness. 265 persons participated (55% women). b. A newsletter was published and disseminated. c. Participating NGOs continued regular consultations to extend their activities to the existing associations.
<p>Component 3: Strengthening capacity of nongovernment organizations and wholesale banks in agribusiness lending</p>	
<ul style="list-style-type: none"> a. Organize training for wholesale bank and NGO staff (including female field staff) in agribusiness promotion, with an emphasis on tapping women's potential and addressing gender-based need promoting agribusiness lending. b. Strengthen the capacity of DAM, MOA, and MOF in agribusiness governance, and train to deal with NGOs and private sector as well as addressing gender issues in agribusiness development. c. Support female entrepreneur to get enlisted / registration as well as to incorporate at the existing private sector /associations to improve their capacity in agribusiness entrepreneurship. 	<ul style="list-style-type: none"> a. Organized a 1-day workshop on the GAP for all project stakeholders, including the DAM, PIU, partner banks, MOA, and MOF. 29% of the 48 participants were women. b. Conducted 35 training courses for 700 NGO staff, 19 training courses for 380 bank officials, and 16 courses for 320 government officials. 43 seminars and/or workshops were organized under the project that included 2,365 participants from different stakeholders. c. Organized eight agribusiness associations: four only for women and the other four for women and men.

Activities	Progress During Project Period
Component 4: Improving the enabling environment for agribusiness	
<ul style="list-style-type: none"> a. Assess current situation of public market management and constraints to participation, and access of women in the agribusiness market through research and BME surveys. b. Identify the marketing channel for women participation. c. Provide technical expertise to identify regulatory impediments to private sector operations in agribusiness through analysis of impediments to women's participation. d. Participatory monitoring system should develop and get feedback for reform. e. Identify legal constraints for developing enabling environment. 	<ul style="list-style-type: none"> a. Conducted three BME surveys under the project. The third BME survey conducted in September 2011 found that 34.36% of women borrowers operated their business by themselves, 24.10% relied on their husbands to operate their business, and 7.10% relied on other family members to operate their business. 53.85% of women sub-borrowers made business decisions by themselves. 69.74% could spend business money by themselves, 87.69% noted that their social status improved, and 77.44% thought that their social participation increased. b. A dedicated channel could not be identified for female borrowers, but established linkages with supermarkets were discovered. c. This activity was not completed. d. Monitoring system developed and reporting continued. Sex-desegregated data were collected and analyzed during the three completed BME surveys. e. This activity was not completed.
Component 5: Project implementation support	
<ul style="list-style-type: none"> a. Orient all stakeholders on the GAP to ensure a congenial and equal work environment for men and women, as envisaged in the GAP. b. Ensure 30% female staff recruitment at the PIU. c. Build training capacity under the project by developing a group of trainers within DAM and participating NGOs. d. Develop capacity of the executing and implementing agencies on gender-based monitoring, evaluation, and reporting within the project's monitoring system. e. Ensure all collected data are gender disaggregated f. Increase participation of women in different training programs. 	<ul style="list-style-type: none"> a. Oriented all stakeholders on the GAP. 56 participated, including eight female officers. b. 7.4% of PIU staff members were female. Considering only key personnel (i.e., excluding support staff) 15% of the 27 PIU staff members were women. NGO field staff was not included in the calculation. c. Consulted with the monitoring specialist of the technical assistance for gender-desegregated data collection during monitoring, and oriented all to ensure sex-disaggregated data collection and maintenance. d. Developed database on training as well as on reporting system separately for men and women.





















BME = benefit monitoring and evaluation, DAM = Department of Agricultural Marketing, GAP = gender action plan, MOA = Ministry of Agriculture, MOF = Ministry of Finance, NGO = nongovernment organization, PIU = project implementation unit.

GOVERNANCE AND ANTICORRUPTION MEASURES

Measures	Preventive Measures Taken
1. Project start-up	<ul style="list-style-type: none"> a. Three qualified and credible participating nongovernment organizations (NGOs) were identified and recruited during appraisal. b. Effective participating wholesale banks were identified and selected during appraisal. c. A project director was appointed and a project implementation unit (PIU) set up as per the conditions of loan effectiveness.
2. Selection of consultants	<ul style="list-style-type: none"> a. Department of Agricultural Marketing (DAM) provided training to project staff on selection of consultants following Asian Development Bank (ADB) guidelines for recruitment and use of consultants. b. Consultant services were provided by ADB under technical assistance (TA). Individual consultants were recruited under the loan through ADB and payments were made directly by ADB.
3. Provision of loans to NGOs by wholesale banks	<ul style="list-style-type: none"> a. Two wholesale banks (one public and one private) were contracted to carry out the on-lending function to three participating NGOs. The project monitored on-lending functions of the two wholesale banks and credit disbursement and recovery by the three NGOs transparently. b. PIU monitored on-lending under the guidance of TA consultants. c. NGO liaison officer of PIU reviewed specific NGO complaints. d. Bangladesh Bank monitored wholesale banks on behalf of the Ministry of Finance. e. ADB staff monitored disbursement progress.
4. Provision of sub-loans to entrepreneurs by NGOs	<ul style="list-style-type: none"> a. Wholesale banks reviewed NGO sub-borrower selection procedures before on-lending. b. Loans recorded and classified according to Bangladesh Bank standard. c. Project funds disbursed to NGOs by wholesale banks were audited annually through external audit firm. d. PIU staff monitored NGO field activities. e. NGO liaison officer reviewed specific complaints from potential sub-borrowers.
5. Procurement of service contracts by PIU	<ul style="list-style-type: none"> a. PIU staff was trained in procurement following ADB's Procurement Guidelines (2013, as amended from time to time) and Guidelines on the Use of Consultants (2013, as amended from time to time). b. Advisory TA consultants monitored service contracting. c. All procurement notices were advertised in daily newspapers for wide circulation and bidders were notified of results of bidding. d. Names of contractors engaged, amounts of contract awards, and results of bidding were made public. e. ADB staff monitored procurement.
6. Procurement of office space, vehicles, equipment, and materials by PIU	<ul style="list-style-type: none"> a. PIU staff was trained on ADB's Procurement Guidelines (2013, as amended from time to time). b. Advisory TA consultants monitored procurement activities. c. ADB staff monitored procurement activities.



Source: ADB. 2014. *Project Completion Review Survey*. Dhaka

PROJECT IMPLEMENTATION SCHEDULE: APPRAISAL AND ACTUAL

Activity	Year 1 2006				Year 2 2007				Year 3 2008				Year 4 2009				Year 5 2010				Year 6 2011				Year 7 2012	
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
A. Project Start-up																										
A.1 Appoint project staff																										
A.2 Start-up project implementation unit																										
A.3 Recruit loan-financed consultants																										
A.4 Establish initial working arrangements with participating NGOs and wholesale																										
A.5 Establish initial ties with agribusiness organizations																										
B. Credit for Small-Scale Agribusinesses																										
B.1 Establish imprest accounts for credit lines																										
B.2 Identify small-scale borrowers by NGOs																										
B.3 Implement small-scale lending program																										
C. Technical and Marketing Support for Agribusinesses																										
C.1 Training and support for small entrepreneurs																										
a. Training program formulation																										
b. Training program Implementation																										

Activity	Year 1 2006				Year 2 2007				Year 3 2008				Year 4 2009				Year 5 2010				Year 6 2011				Year 7 2012	
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
D. Strengthening Capacity of Participating Wholesale NGOs Banks and in																										
D.1 Training in agribusiness for NGOs																										
a. Review and revision of business plans																										
b. Identification of training needs and resources																										
c. Implementation of training programs																										
D.2 Support to wholesale banks																										
E. Improving the Enabling Environment for Agribusiness																										
E.1 Consultations																										
E.2 Public sector agencies training program																										
a. Formulation of training program																										
b. Implementation of training program																										

NGO = nongovernment organization.

Appraisal 
Actual 

STATUS OF COMPLIANCE WITH LOAN COVENANTS

Covenant	Reference in Loan Agreement	Status of Compliance
1. Social: The Borrower to ensure, and cause BASIC Bank (BASIC), Eastern Bank (EBL), and participating NGOs to ensure, that the Project's Gender Action Plan (GAP) (Appendix 17 of the PAM), is adopted and carried out during project implementation. The implementation of the GAP is to be monitored and reported to ADB through the quarterly progress reports.	LA, Schedule 6, para. 14	Complied with.
2. Financial -Imprest Accounts: The Borrower to establish imprest accounts, one for Part I (Credit) and another for other parts of the Project, both at Bangladesh Bank, which shall be established, managed, replenished and liquidated in accordance with ADB's Loan Disbursement Handbook.	LA, Schedule 3, para. 7	Complied with.
3. Revolving Fund: The Borrower to ensure that BASIC and ERL establish, revolving funds to be utilized exclusively for on-lending to participating NGOs for their small-scale agribusiness lending programs. The amount of each loan to be sanctioned and disbursed from such revolving funds shall be determined by BASIC and EBL. Each participating NGO shall be required to open a project account in a reputable bank. Repayments by participating NGOs of loan principals shall be made into the revolving funds. Upon applications from a participating NGO, BASIC and EBL shall apply for the funds from the imprest account. Within 3 working days of receipt of funds from the imprest account, BASIC and EBL shall disburse the funds to the project account of the participation NGO concerned. Applications for replenishment of the imprest account will be initiated by BASIC and EBL taking into account (i) the balance remaining in the revolving fund, and (ii) loan requests from participating NGOs based on their business plans on a 6-monthly basis.	LA, Schedule 6, para. 5(a)	Complied with.
4. The Borrower to ensure that disbursements from the imprest account to BASIC and EBL are made within 5 working days receipt of the respective disbursement applications	LA, Schedule 6, para. 5(b)	Complied with.
5. The Borrower to ensure that the revolving funds are maintained after Project completion until such time as ADB in its sole discretion may require the revolving funds to be dissolved. Balances available in the revolving fund shall be credited to appropriate entities designated by the Borrower in consultation with ADB. The Borrower shall also ensure that after Project completion, the revolving fund continues to be utilized for the purposes it was established, and each participating NGO, Sub borrower, sub loan and subproject continue to satisfy the respective eligibility criteria set forth in the Loan Agreement.	LA, Schedule 6, para. 5(c)	Complied with.
6. Participating NGOs: BASIC and EBL to ensure that participating NGOs meet the projects eligibility criteria for NGOs as detailed in the paragraphs 7(a) to (ii), Schedule 6, of the Loan Agreement.	LA, Schedule 6, para. 7	Complied with.
7. Principle On-lending Terms and Conditions: The terms and conditions for on-lending to participating NGOs to include the following (among other things): the amount and the terms of each loan to be determined by BASIC and EBL in accordance	LA, Schedule 6, para. 8(a)	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
with their own loan management procedures; interest to be charged on the outstanding principal amount shall be 7% per annum; loans to be denominated in Taka; credit risk to be borne by BASIC and EBL; each participating NGO to establish and maintain separate accounts for the Project, have such accounts and related financial statements audited annually, and have such auditor's report, related accounts and financial statements (In English) submitted to ADB not later than 6 months after the end of the related fiscal year; the auditors' opinion shall include an assessment of the adequacy of accounting and internal control systems with respect to project expenditures and other financial transactions, a determination as to whether the participating NGO has maintained adequate documentation for all financial transactions, specifically including the revolving funds procedures, and a confirmation of compliance with the financial covenants set forth in the Loan Agreement; and at all times during project implementation and operation of the revolving fund, each participating NGO shall be required to satisfy the selection criteria for NGOs.		
8. The Borrower and ADB to review the performance of participating NGOs and the re-lending terms and conditions.	LA, Schedule 6, para. 8(b)	Complied with.
9. Sub-borrowers, subloans, and sub-projects: BASIC and EBL to make certain that participating NGOs ensure that each sub borrower, sub loan and subproject satisfy the Project's selection criteria and implementation procedures.	LA, Schedule 6, para. 9	Complied with.
10. Debt Amnesty. The Borrower shall not plan or grant any debt amnesty or forgive loan repayment obligations with respect to the sub loans from the credit line provided under Part 1 of the Project.	LA, Schedule 6, para 10	Complied with.
11. Counterpart Funds: The Borrower to ensure that adequate financing shall be made available in DAM's annual budget for operation of the PIU.	LA, Schedule 6, para. 11 period	Complied with.
12. Agribusiness Associations, Information, and Technology Dissemination: The Borrower to ensure that all activities under period Parts 2 (b) and (c) are carried out on a cost-sharing basis, and technical assistance activities under Part 2(c) comply with the Borrower's applicable laws and regulations and ADB's safeguard requirements as defined in ADB's Environment Policy and ADB's Policy on Involuntary Resettlement.	LA, Schedule 6, para. 12	Complied with.
13. Account and Audit: The Borrower to (i) maintain or cause to be maintained, separate accounts for the Project;(ii)have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditor's opinion on the use of loan proceeds and compliance with the financial covenants for the Loan Agreement as well as on the use of the procedures for imprest account! statement of expenditures), all in the	LA, Article IV, Section 4.02(a)	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.		
14. BASIC and EBL to (i) maintain separate accounts for the Project; (ii) have such accounts and related financial statements (balance sheet, statement of income and expenses, and related statements) audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; and (iii) furnish to ADB certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of the Loan Agreement as well as on the use of the procedures for imprest account/ statement of expenditures), all in the English language. BASIC and EBL shall furnish to ADB such further information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.	Project Agreement (PA), Article II, Section 2.08 (a)	Complied with.
15. Implementation Matters - Project_Executing Agencies. The Ministry of Finance (MOF), through its Finance Division, to be the Project EA for Part 1 of the Project, and the Ministry of Agriculture (MOA) to be the Project EA for Implementing the rest of the Project.	LA, Schedule 6, para. 1	Complied with.
16. Implementing Agencies and Project Implementation Unit. <ul style="list-style-type: none"> • Part 1 of the Project to be implemented by BASIC and EBL through participating NGOs. • MOA's Department of Marketing (DAM) to be responsible for coordinating with MOF on Part 1 of the Project, and implementing Parts 2,3,4(b), and 5 of the Project • The Project Implementation Unit (PIU) to be headed by a Project Director designated by the Borrower and satisfactory to ADB, and to be assisted by a full-time Project Manager with qualifications and experience acceptable to ADB recruited as domestic consultant; and • The Agribusiness Cell to be a permanent unit responsible for developing the agribusiness policy and regulations, and guiding agribusiness operations; be headed by the Additional Secretary of MOA and adequately staffed with qualified personnel reassigned from MOA; and implement Part 4(a) of the Project, among others. 	LA, Schedule 6, para. 2	Complied with.
17. The Project Steering Committee.(PSC). PSC to: oversee and guide the Project and resolve policy issues; be chaired by the Principal Secretary of the Prime Minister's Office; and include as members officials from ERD and Finance Division of MOF, Planning Commission, Agriculture, Fisheries and Livestock, Commerce and Industry, Bangladesh Bank, BASIC, EBL, and participating NGOs. The head of the Agribusiness Cell is to be Member Secretary of the PSC, which shall meet semi-annually.	LA, Schedule 6, para. 3	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
18. The Project Implementation Committee (PIC): PIC to: coordinate Project activities, discuss and resolve implementation problems in a transparent manner; include representatives from MOA, MOE, Ministry of Planning, DAM, the Agribusiness Cell, BASIC, EBL, participating NGOs, and agribusiness organizations; be chaired by the Secretary of MOA. The Project Director is to be Member Secretary.	LA, Schedule 6, para. 4	Complied with.
19. Project Performance Management System (PPMS). The Borrower to establish within 6 months of the Effective Date, a PPMS, and ensure its operation within PIU, BASIC, EBL, and each participating NGO through the monitoring teams during Project implementation. At the project beginning, the PIU together with BASIC, EBL, and participating NGOs to identify baseline indicators with a main focus on the expansion of agribusiness investment, employment, and sales generated by the Project. With respect to Part 1 of the Project, information shall be maintained concerning (a) the amounts and numbers of sub loans disbursed to and repaid by sub borrowers categorized as input suppliers, primary producers, and processors and marketing; (b) the number of NGO staff associated with agribusiness lending; (c) the number of NGO staff participating in agribusiness training courses and workshops; and (d) basic household data (such as the number of sub borrowers' family members and people employed, estimated total revenues and net income). Each participating NGO to be required to classify and report on a quarterly basis to the PIU on its agribusiness loan portfolio and its proportion to total lending. All information shall be disaggregated by gender.	LA, Schedule 6, para. 13	Generally complied with.
20. Good Governance and Anticorruption. The Borrower, BASIC, EBL and participating NGOs to ensure that proactive steps are taken for good governance and preventing corruption. This shall include, among other things (i) establishing transparent procedures for financial transactions, (ii) setting a requirement for implementing agencies to enter each amount of disbursed funds in an accounting system, (iii) monitoring and reporting of participating NGOs' activities, and (iv) appointing a liaison officer to deal specifically with participating NGOs and sub borrowers, as the case may be.	LA, Schedule 6, para. 15	Complied with.
21. BASIC and EBL to furnish to ADB quarterly reports on the execution of the project and semi-annually on the operation and management of the project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the quarter or 6 months under review, steps taken or proposed to be taken to remedy those problems, and proposed program of activities and expected progress during the following quarter or 6 months.	PA, Section 2.07(b)	Generally complied with.
22. Promptly after completion of the Project, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purposes, BASIC and EBL shall prepare and furnish to ABD a Project Completion Report.	PA, Section 2.07 (c)	Complied with.

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: BRM

TA No. Country and Name: TA 4674-BAN: Strengthening Project Management			Amount Approved: \$600,000	
			Revised Amount: \$600,000	
Executive Agency: Department of Agricultural Marketing (DAM) under the Ministry of Agriculture (MOA)		Source of Funding: TA Special Fund	Amount Undisbursed: \$106,662.64	Amount Utilized: \$493,337.36
TA Approval Date: 6 October 2005	TA Signing Date: 6 November 2007	Fielding of First Consultant: December 2005	TA Completion Date: Original: 31 December 2010 Actual: 21 June 2011 Account Closing Date: Original: 31 March 2011 Actual: 21 June 2011	
Description Bangladesh is an agriculture dominated country with about 80% of its people living in rural areas. Most rural people depend on on-farm production for their livelihood and employment. Agribusiness including entrepreneurship development and demand-driven on-farm activities is of key importance for the economy. Recognizing the importance and value addition potentials, the Government of Bangladesh (GOB) has obtained financial support for Agribusiness Development Project (Loan 2190) from Asian Development Bank (ADB) for promoting small-scale agribusiness among interested and experienced entrepreneurs/farmers across the country. ¹ ADB approved the piggy-backed TA in 2005 to improve supervision and monitoring capacity of DAM and MOA for agribusiness promotion and project management. The TA was aimed at orienting DAM and MOA personnel about commercial agriculture, agribusiness promotion including value addition aspects, and providing technical support for implementation of the loan project for the whole period.				
Expected Impact, Outcomes and Outputs The impact of the TA was improved project management capacity among DAM and MOA personnel. The target outcomes were: (i) implementation support extended to the loan project; and (iii) project supervisory and monitoring system established in DAM. The expected outputs included better understanding, awareness, and knowledge on agribusiness promotion and commercial agriculture through imparting need-based quality training, and organizing seminars/and workshops for DAM and MOA personnel.				
Delivery of Inputs and Conduct of Activities The inputs included expert consultancy service, equipment, furniture, vehicle, user-friendly software and studies, and administration support. The procured vehicle, office equipment, and furniture were handed over to the government after completion of the TA. ² The TA had provision for 12 person-months (intermittent) of international and 48 person-months of national consultancy inputs spread over the implementation period of the loan project. The consultants assisted and supported for start-up works and implementation. The preparatory works included establishing project implementation unit, consultants' recruitment, and assisting DAM and MOA in establishing an Agribusiness Policy Cell (APC) at MOA. The major implementation support was (i) assisting in project management including orienting staff to manage development partner supported projects; (ii) preparing training plan and implementation and quality control, and (iii) establishing performance monitoring system for the loan project. The consultancy input for both international and national experts was fully utilized. Despite all support by the TA consultants, recruitment of a consulting firm for the project was not possible due to procedural complexity in the line ministry and the department. ADB therefore approved engaging individual consultants for the experts' services. Further, the TA consultants assisted the EA in establishing APC at MOA with logistic support from loan project, which supplemented expected input of the loan consultants.				

¹ ADB.2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to People's Republic of Bangladesh for the Agribusiness Development Project*, Manila.

² This included two minibuses, 8 computer sets, 4 public address systems, 1 multimedia projector, 1 digital photocopier, 1 digital camera, 14 air conditioners, 5 instant power supplies, and office furniture.

The key activities of the TA were imparting capacity building training to DAM staff and organizing various workshops/seminars to raise awareness and efficiency. The overall performance of the TA consultants was rated as satisfactory by both ADB and EA.

The TA was relevant in the context of the prevailing situation during appraisal, project design, and implementation. Most of the activities undertaken under the TA were effective in delivering expected outputs. The activities were not so efficient due to procedural complexity at the ministry and at the departmental level. The required actions from the line ministry and or department were delayed in many cases, which contributed to delay in achieving outputs.

Planning and Organizing Training Activities. As per training plan, the project organized 47 batches of training on various issues of project implementation and agribusiness development in Dhaka head office and divisional offices; where 1,419 persons including 393 from DAM participated. The four training centers were equipped with necessary equipment (public address system, multimedia projector, and computers). Currently these centers are being used more effectively for training purposes.

Organizing Workshop. A total of 14 workshops on various subjects/issues were organized in Dhaka as well as in divisional offices, and a total of 848 persons participated in those workshops. DAM officials, entrepreneurs, NGO and bank staff, and officials of other line departments were among the participants. Proceedings of these workshops reflecting the findings, lessons, outputs, and recommendations were published and circulated to the concerned officials and organizations for follow-up.

ADB undertook regular loan review missions, where TA activities were reviewed and the actions were recommended for improving TA efficiency. The government prepared and approved the technical assistance project proforma (TPP) and provided required counterpart funds and staff support for the TA implementation.

The TA consultants have submitted their reports and a total number of 30 reports generated under the TA. The reports included 15 training manuals, one proceeding of regional and national workshops, one directory of agribusiness associations, and many trade-wise and district-wise project borrowers and knowledge products.

Evaluation of Outputs and Achievement of Outcomes

Due to the capacity development training and awareness raising activities under the TA, technical knowledge on agribusiness, marketing and value chain, and products diversification and value addition have improved among DAM and MOA staff. Despite the low outputs of the APC, realization level for agribusiness development activities was comparatively better at MOA. The TA also assisted in establishing a project supervisory and monitoring system in DAM.

Currently, MOA is more convinced about scopes and potentials of utilizing DAM more effectively for the benefit of farmers and entrepreneurs. The activities implemented under the TA have strengthened the staff's morale by empowering them with knowledge and skills for extending agribusiness development services, which ultimately contributed to recognize DAM's greater role. The TA also played positive role in realizing DAM's greater role by MOA. During staff shortage and crisis period, the TA experts' services were very helpful in implementing loan project activities in the field. The expected outcome and outputs were significantly achieved.

Overall Assessment and Rating

The TA activities are likely to be sustainable, because of improved knowledge and awareness among many DAM and MOA staff, and equipment/vehicle provided, which would have positive impacts in the coming years. Considering the reality and present system's procedural and bureaucratic complexity, the TA outputs were assessed as satisfactory, and the achievements of outcomes and preliminary impacts due to TA activities implemented are also positive.

The overall assessment and rating for the TA is successful. Although most of the TA outputs were

completed, the expected outcomes could not be fully achieved despite satisfactory services by the TA consultants. However, awareness raising and capacity development initiatives/trainings laid good foundations for recognizing the greater role of DAM by the ministry in coming years.

Major Lessons

- Incentives are required for the government staff to perform better. Performance rather than seniority should get more weight in the selection process of individuals for career progression.
- Career progression prospect and reform measures for efficiency increase and regular recruitment of qualified staff are key factors contributing to undertake greater responsibility by the staff. Enhanced capacity will remain unutilized if skilled staffs are not provided with required resource support.

Recommendations and Follow-Up Actions

- Ensure adequate budget allocation and logistic supports including for monitoring.
- Redefine DAM's mandate to include extending marketing support, agribusiness promotion and entrepreneurship development to the farmers and the entrepreneurs, in addition to market information collection and dissemination.
- Strict compliance of quality control measures in implementing capacity development training programs.

Prepared by: Md. Shahidul Alam³, Designation: Safeguards Officer (Resettlement)

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

³ Initiated by: Arun Kumar Saha, senior project officer, BRM with inputs from Nazmul Alam, Project Analyst, BRM.

PROCUREMENT OF GOODS AND SERVICES

Table A9.1: Procurement of Vehicles

Type of Vehicle(s)	Number of Vehicles		Year of Procurement	Status of Vehicles
	Per Revised DPP	Procured		
Jeep	4	4	2008	All transferred to O&M of DAM on 1 Feb 2012
Microbus (one with mobile van services through video)	2	2	2008	All transferred to O&M of DAM on 1 Feb 2012
Motorcycle	8	8	2008	All transferred to O&M of DAM on different dates

DAM = Department of Agricultural Marketing, DPP = Development Project Proposal, O&M = operation and maintenance.
Source: Department of Marketing. 2012. *Project Completion Report*. Dhaka. p. 9

Table A9.2: Procurement of Office Equipment and Furniture

Description of Equipment/Furniture		Quantity		Year of Procurement
		Per DPP	Procured	
1	Desktop computer	23	23	2007 & 2008*
2	LCD monitor	23	23	2007 & 2008*
3	Printer	20	20	2007 & 2008*
4	Color printer	3	3	2007 & 2008*
5	Laptop	4	4	2007 & 2008*
6	Scanner	9	9	2008
7	Uninterrupted power supply	24	24	2008
8	Multimedia projector (with accessories)	2	2	2008
9	PABX system (with accessories)	1	1	2008
10	Telephone and intercom set	26	6	2007 & 2008*
11	Fax machine	4	4	2007 & 2008*
12	Color television	2	2	2008
13	Digital camera-Canon (with accessories)	2	2	2008
14	Video camera-Sony (with accessories)	2	2	2007 & 2008*
15	IPS (with accessories)	2	2	2008
16	Paper cutting machine	2	2	2008
17	Book binding machine	2	2	2008
18	Laminating machine	2	2	2008
19	Water purifier	3	2	2008
20	Freezer	2	3	2007 & 2008*
21	Photocopy machine	2	2	2008
22	Air conditioner	14	14	2007 & 2008*
23	Executive table	24	24	2007 & 2008*
24	Executive chair	56	56	2007 & 2008*
25	Visitor chair	74	74	2007 & 2008*
26	Computer table	9	9	2007 & 2008*
27	Computer chair	6	6	2008
28	Center table	3	3	2007 & 2008*
29	Side table	4	4	2007 & 2008*
30	Vertical blind (square feet)	1320	1320	2007 & 2008*
31	Floor mat (square feet)	7500	7500	2007 & 2008*
32	Work station panel (square feet)	2800	2800	2007 & 2008*
33	Multipurpose shelf	15	15	2007
34	Office almirah (closet)	7	7	2007
35	4-drawer steel filing cabinet	4	14	2007
36	3-drawer steel filing cabinet	9	9	2007

DPP = Development Project Proposal, PABX = private automatic branch exchange, IPS = intermittent power supply

* Procured in different years according project needs.

Note: All equipment and furniture was transferred to the operation and maintenance section of the Department of Agricultural Marketing on 31 December 2012

Source: Department of Marketing. 2012. *Project Completion Report*. Dhaka. p. 10-12, Table 9.

Table A9.3: Recruitment and Use of Consultants

Position(s)	Inputs (Person-Months) as Per		Actual Person-Months Utilized
	Revised DPP	Contract	
A. Foreign			
1. Agribusiness promotion advisor – team leader	17	3	3
Subtotal (Foreign)	17	3	3
B. Local			
2. Training management specialist	17	10	10
3. Agribusiness promotion specialist	69	54	54
4. Marketing management specialist	17	15	15
5. Women entrepreneurship specialist (social and gender specialist)	29	17	17
6 Environmental specialist (safeguard specialist)	17	Not recruited	Not recruited
7. Agribusiness policy specialist	17	Not recruited	Not recruited
8. Social impact specialist (benefit monitoring and evaluation specialist)	17	10	10
Subtotal (local)	183	106	106
Total (foreign + local)	200	109	109

DPP = Development Project Proposal

Note: Consultants were recruited under individual category.

Source: Department of Marketing. 2012. *Project Completion Report*. Dhaka. p. 10

FINANCIAL REEVALUATION OF EFFECTIVENESS AND SUSTAINABILITY OF AGRIBUSINESS ENTERPRISES

1. The project completion review (PCR) mission carried out a financial analysis of 22 randomly selected agribusiness enterprises (10 medium and 12 small) covering all divisions except Barisal. The sample enterprises included all major enterprises financed under the project such as crop production, fishery, poultry, agro-processing, agriculture input production and marketing, dairy, beef fattening, nursery, and trading of agricultural commodities.
2. The PCR mission collected detailed information of the selected enterprises through field visits by the staff consultant and experienced enumerators recruited and trained for the data collection. Information about investment cost of output products, production outputs, revenue earning, depreciation, life of enterprise, cost of repair and replacements, salvage value after expiry of normal life of the enterprises, and other relevant data were collected and analyzed.
3. Based on this data, financial internal rates of return were estimated for the 22 sample enterprises. These financial internal rates of return were re-estimated according to different market conditions (e.g., annual total increase of cost by 10%, decline and increase of sale by 10%, etc.) to gauge the sensitivity of the returns to varying market conditions. The estimated financial internal rates of return and sensitivity analysis are presented in Table A10.1.

Table A10.1: Estimated Financial Internal Rates of Return According to Different Market Conditions

Agribusiness Enterprise Types		Enterprise Size	Financial Internal Rate of Return (%)	Financial Internal Rate of Return According to Different Market Conditions (%)			
				a	b	c	d
Crop production	1	Medium	121	103	102	141	86
	2	Medium	43	29	28	57	14
	3	Small	28	18	17	38	7
Fish farm	4	Medium	129	104	106	151	83
	5	Medium	31	19	17	44	5
	6	Small	14	4	(6)	29	?
	7	Small	36	26	25	47	16
Betel leaf production	8	Small	200	173	170	230	146
Poultry farm Layer Layer	9	Medium	43	29	28	54	15
	10	Medium	42	19	17	71	(3)
	11	Small	17	2	1	32	-
Agro-processing	12	Small	1	-	-	13	-
Agro-machinery	13	Small	(1)	-	-	11	-
Dairy farm	14	Medium	71	59	58	82	41
	15	Small	40	29	28	48	9
	16	Small	24	14	13	34	3
	17	Small	6	(3)	(4)	14	-
Beef fattening	18	Medium	27	13	12	40	(2)
	19	Medium	27	13	11	42	(5)
	20	Small	8	2	1	16	(5)
Nursery (horticulture)	21	Medium	49	38	36	61	26
Agri-product trading	22	Small	2	-	-	17	-

() = negative, - = not calculated as FIRR is negligible

Note:

a. Base cost increased by 10%.

b. Volume of sale reduced by 10%.

c. Volume of sale increased by 10%.

d. Base price increased by 10% and volume of sale reduced by 10%.

Source: ADB. 2014. Project Completion Review Mission Survey. Dhaka

4. Financial analysis indicated that returns to investment in agribusiness enterprises vary according to the type of agribusiness. Among the ten different firm types reviewed in the PCR study, agribusiness enterprises for betel leaf production, fish farming, production of high value agricultural crop (vegetables), dairy, poultry, nursery, and beef fattening are found as rewarding (Table A10.1).

5. The PCR survey findings also indicate that the larger the size of the enterprise (volume of operation), the higher the return. The PCR survey included only medium and small-sized enterprises since there were no large enterprises under the project due to the limitation of the loan size to Tk350,000. The return on investment among small-sized enterprises was relatively low compared to that of medium-sized enterprises. The medium-sized enterprises were better able to withstand shocks such as increased production costs, reduced production, falls in market price, etc. The PCR noted that entrepreneurs of small-sized enterprises generally lacked financial and business management capabilities, with more of 80% of them are undertaking other livelihood activities to meet their family needs. The breakeven point of the small-sized enterprises was relatively high. Given the high cost of loans, labor charges, input costs, and high competition during selling of the produces, small entrepreneurs found it difficult to produce enough to reach above the high breakeven points and generate low returns. The small entrepreneurs, however, survived due to input of family members in the enterprises free of cost. The PCR also noted that while small entrepreneurs generally asked for higher agribusiness loans to scale up capacity and production, they found it difficult to get loans for larger sums (more than Tk35,000).

6. However, almost all well-performing enterprises had additional investments over the loan amounts provided from the project. These entrepreneurs had invested their own funds and/or borrowed funds from other sources to increase the scale of operation. Due to the high cost of funds, high operating costs, and the need to be competitive, the entrepreneurs had to invest additional funds to reach above the breakeven point and make the agribusiness financially attractive. The PCR mission found that many of the medium-sized agribusiness enterprises had invested much higher amounts (2-3 times) than the loans provided from the project.

7. A field survey of 300 randomly selected agribusiness enterprises under the PCR study (Appendix 12) indicated that 22.7% of enterprises (mostly the small enterprises) did not perform well due to low returns and sustained losses due to improper management by the entrepreneurs. The PCR assessment of financial internal rates of return of 22 randomly selected enterprises included 12 small and 10 medium-sized enterprises. The outcome of the financial analysis showed poor returns in seven of the 12 small-sized enterprises, while all 10 of the medium-sized enterprises enjoyed satisfactory returns. The analysis concluded that agribusiness enterprises -should be designed carefully and sized accordingly considering market conditions, economies of scale, trade, and other factors. This recommendation may warrant higher investment amounts, meaning that the future agribusiness enterprise loan ceiling should be increased appropriately. Agribusiness enterprises should be viewed from the point of their profitability according to the economy of scale and investments creating employment opportunity for family as well as hired wage labor. However, small enterprises do not consider wages of family members as expenses, instead, they consider it as a self-employed home-based small livelihood activity for poverty reduction.

SUSTAINABILITY OF NONGOVERNMENT ORGANIZATION-SUPPORTED AGRIBUSINESS CREDIT PROGRAM

1. The project completion review (PCR) mission reviewed the disbursement of agribusiness loans, loan recovery, and number of enterprises in each fiscal year from FY2007 to FY2013 for the three participating nongovernment organizations (NGOs): Bangladesh Rural Advancement Committee, Association of Social Advancement, and Thengamara Mohila Sabuj Sangha (TMSS). The purpose of the review was to assess the extent of demand for agribusiness credits, the trend of demand, and recovery performance measured as an indicator of sustainability of agribusiness credit programs after completion of the project. The review was possible due to available counterpart facilities of the participating NGOs and the executing agencies, Ministry of Agriculture and Ministry of Finance.. After completion of the project, the government made an arrangement with participating NGOs to use the revolving funds to continue training and capacity building efforts to ensure sustainability.

2. The PCR mission reviewed the agribusiness loan operating performance of the project by integrating the performances of the three participating NGOs. During the project period, the three NGOs served 33,432 enterprises and disbursed Tk2,729,830 from the project credit fund. As of 31 December 2013, the three participating NGOs had served 47,342 enterprises and disbursed Tk4,100,908,000 from the project fund and revolving fund generated to date. In addition, Tk4,078,873,162 had been recovered as of 31 December 2013, with an average loan recovery of 99.46%. This indicated that agribusiness loans coverage had increased by 1.3 times with the generation of revolving funds by the three participating NGOs. Generally, enterprises received loans during the initial stage of the project and availed loan several times after repaying the previous loans. Those who joined later, in 2011 and 2012 are currently enjoying the loan facilities, while the enterprises that joined during the early stage of the project have graduated and moved on to commercial banks for larger loan facilities. Some entrepreneurs who failed to earn profits from their agribusiness enterprises had to discontinue their venture..

3. The PCR mission reviewed the increase of the numbers of agribusiness enterprises per annum as 17% and demand for agribusiness loans as 29% per annum on average (Table A11.1). The PCR noted that although all loans were free of collateral securities (and despite Bangladesh's poor loan repayment culture), the repayment rates were 99.46% throughout the project period for all three participating NGOs. However, the recovery rates showed a declining trend over the 7 year period. Overall, the project loan recovery rate was consistent with the recovery rates of the three participating NGOs' other credit operations (Table A11.1, Figure A11.1, and Figure A11.2). The agribusiness loan operating performances of the three participating NGOs were satisfactory.

Table A11.1: Recovery Performance and Sustainability of Agribusiness Credit Program

Fiscal Year	Disbursement of Loans (Tk)	Recovery of Loans		No. of Enterprises Financed	Cumulative No. of Enterprises Financed
		Amount (Tk)	%		
2007	241,663,000	240,967,266	99.71	3,591	3,591
2008	580,259,000	578,029,929	99.62	7,686	11,277
2009	893,327,000	889,515,305	99.57	11,326	23,003
2010	706,114,552	703,134,929	99.58	7,770	30,773
2011	220,704,516	219,616,791	99.51	2,217	32,990
2012	728,840,184	723,137,942	99.22	6,903	39,893
2013	730,000,000	724,471,000	99.24	7,849	47,342
Total	4,100,908,252	4,078,873,162	99.46	47,342	

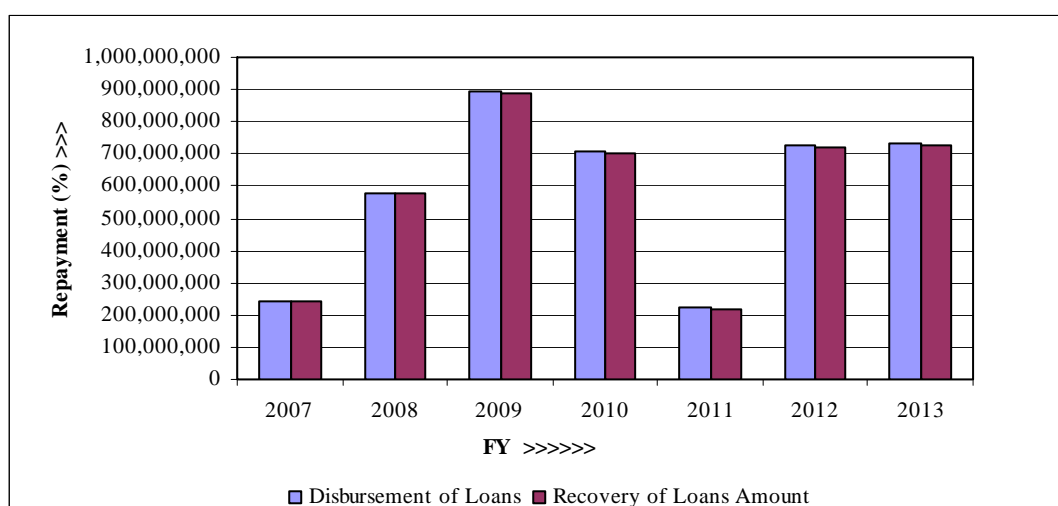
Sources: 2014. BRAC, ASA, and TMSS. *E-mail Statements*. Dhaka

4. Review of the trend of demand and high recovery performance indicated increasing demands for agribusiness loans from large numbers of growing agribusiness enterprises, reflecting the growth of agribusiness as a result of increased agricultural production and growing systematic agro-processing, marketing, and value addition. The high growth of increasing numbers of agribusiness enterprises

engaged in value addition and marketing also reflected increased employment creation, which supported an increase of income and poverty reduction. Lending sharply declined during FY2011 due to the lack of timely availability of necessary funds.

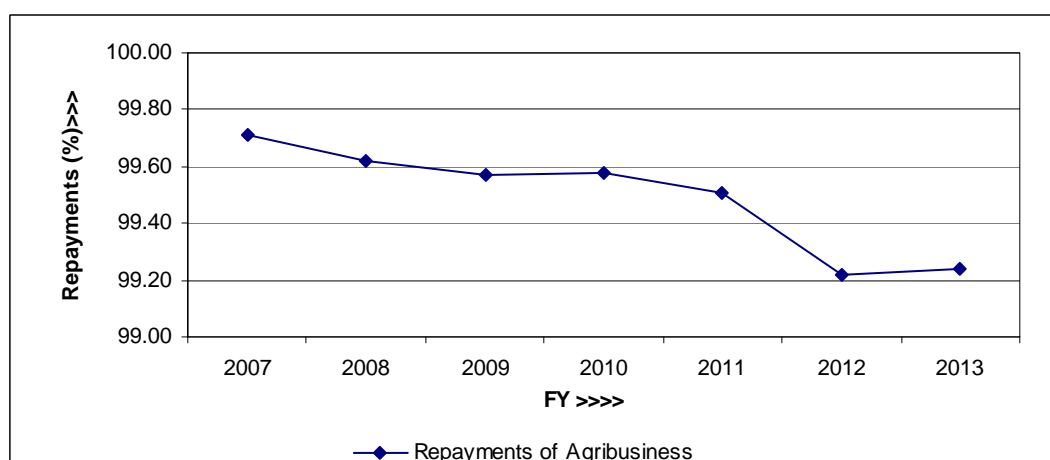
5. Rates of recovery close to 100% indicate efficient agribusiness loan management skills and management capability, and reflect the sustainability of rural agribusiness enterprises, especially those operated by individual members of agribusiness associations and marketing agents. The high repayment rate results in high profitability, which is reflected in the financial analysis of financial internal rates of return based on a discount rate of 12% per annum. The high demand for agribusiness loans along with the increasing number of new growing enterprises with high repayment performance also manifests potentials of fast growing agribusiness and marketing. This required huge capital resources for boosting production and processing with value addition, employment generation, and higher income in the Bangladesh rural economy. High and sustained demand for agribusiness loans suggests the creation of an enabling market system supported by appropriate market channels, infrastructure, financing and banking facilities, and supportive public supports, including appropriate legal changes and private sector initiative.

Figure A11.1: Trend of Demand for Agribusiness Loans and Loan Repayments

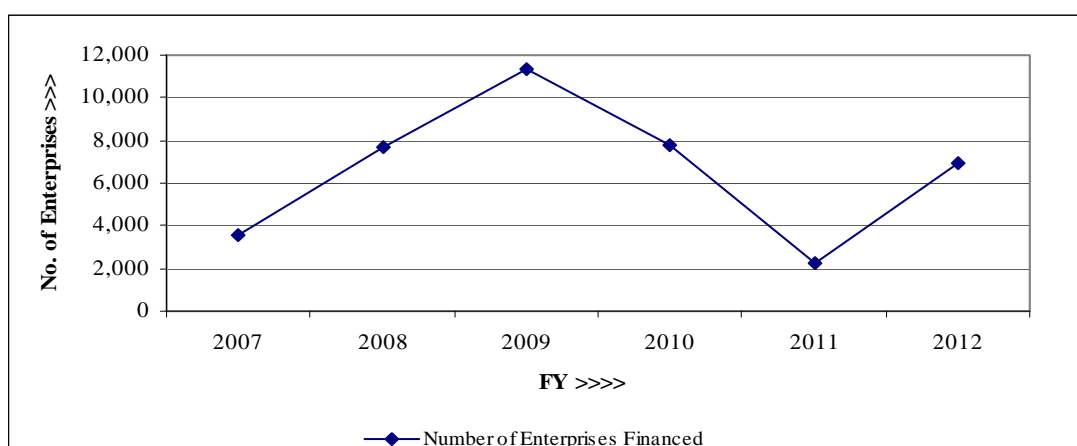


Sources: 2014. BRAC, ASA, and TMSS. *E-mail Statements*. Dhaka

Figure A11.2: Trend of Repayments of Agribusiness Loans



Sources: 2014. BRAC, ASA, and TMSS. *E-mail Statements*. Dhaka

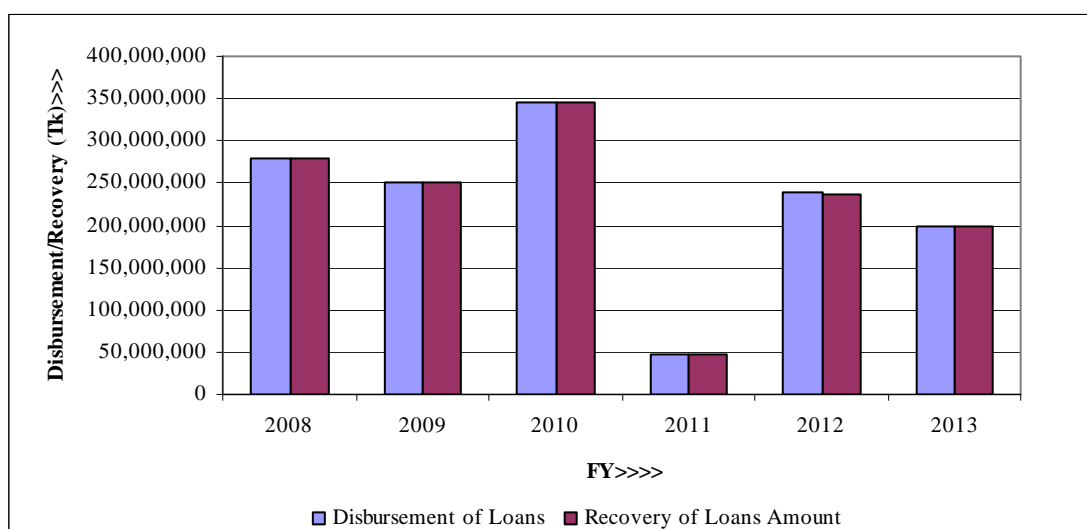
Figure A11.3: Trend of Growth of Agribusiness Enterprises

Sources: 2014. BRAC, ASA, and TMSS. *E-mail Statements*. Dhaka

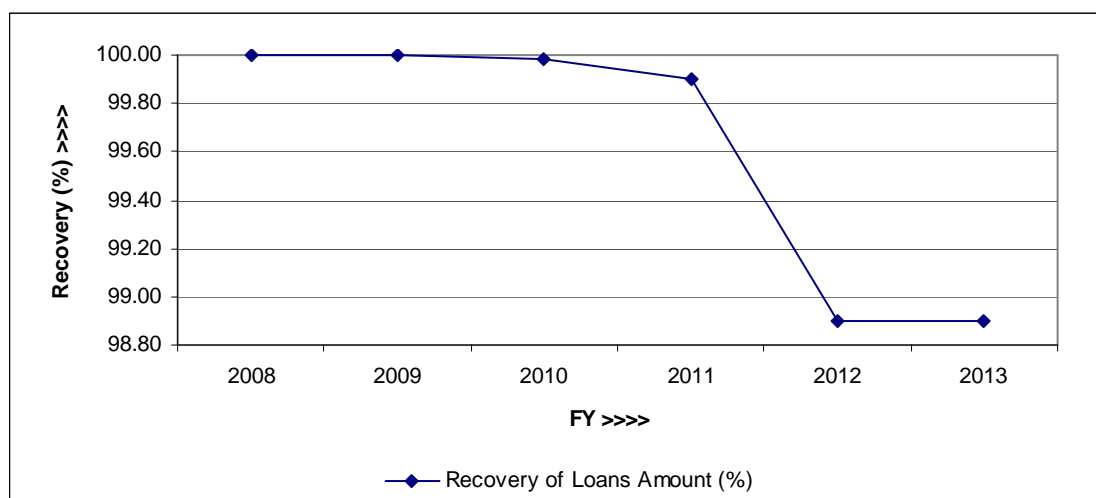
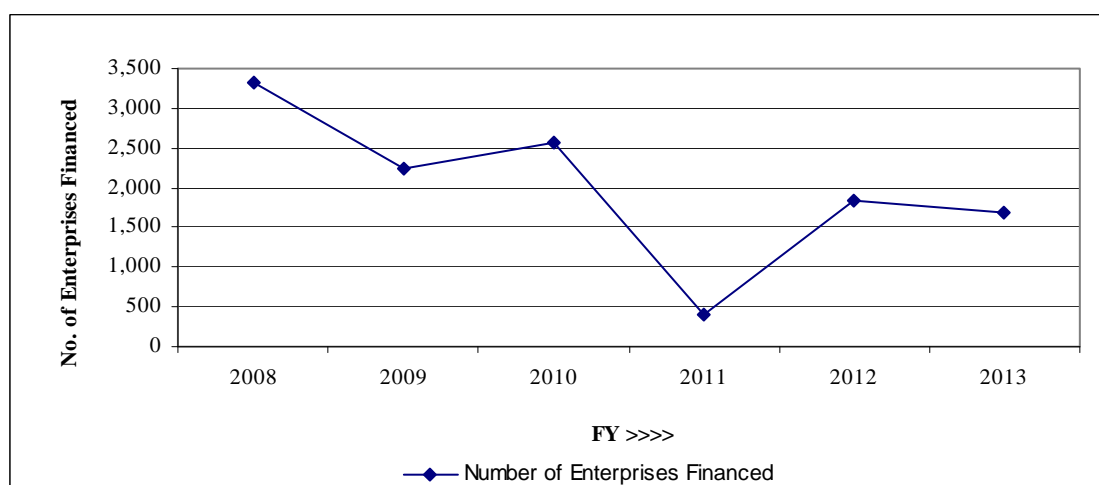
Table A11.2: Disbursement and Recovery of Agribusiness Loans by Bangladesh Rural Advancement Committee

Fiscal Year	Amount of Credit Disbursed (Tk)	Recovery of Loans		Number of Enterprises Financed
		Amount (Tk)	%	
2008	280,400,000	280,400,000	100.00	3,326
2009	250,315,000	250,315,000	100.00	2,248
2010	345,424,276	345,355,191	99.98	2,563
2011	46,583,166	46,536,583	99.90	409
2012	238,840,184	236,212,942	98.90	1,828
2013	200,000,000	197,800,000	98.90	1,690
Total	1,361,562,626	1,356,619,716	99.63	12,064

Sources: 2014. BRAC, ASA, and TMSS. *E-mail Statements*. Dhaka

Figure A11.4: Disbursement and Recovery of Agribusiness Loans by Bangladesh Rural Advancement Committee (BRAC)

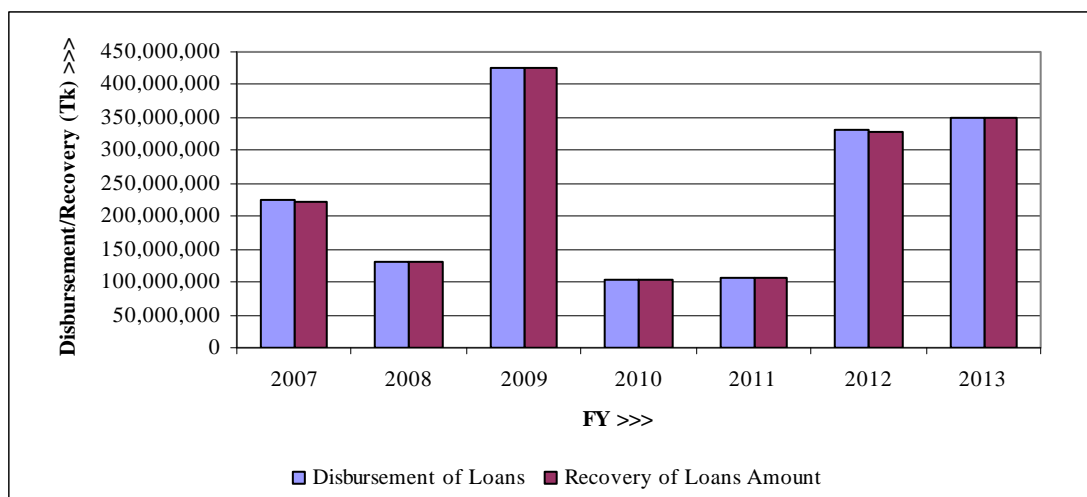
Source: 2014. BRAC. *E-mail Statement*. Dhaka

Figure A11.5: Trend of Recovery of Agribusiness Loans by BRACSource: 2014. BRAC. *E-mail Statement*. Dhaka**Figure A11.6: Trend of Agribusiness Enterprises Financed by BRAC**Sources: 2014. BRAC. *E-mail Statement*. Dhaka**Table A11.3: Disbursement and Recovery of Agribusiness Loans by Association of Social Advancement (ASA)**

Fiscal Year	Amount of Credit Disbursed (Tk)	Recovery of Loans		Number of Enterprises Financed
		Amount (Tk)	%	
2007	223,493,000	222,978,966	99.77	3,398
2008	130,427,000	129,892,249	100.00	1,934
2009	426,077,000	424,543,123	100.00	5,847
2010	103,142,276	102,935,991	99.98	1,408
2011	105,423,350	105,254,673	99.90	944
2012	330,000,000	328,845,000	98.90	3,122
2013	350,000,000	348,705,000	98.90	3,820
Total	1,668,562,626	1,663,155,002	99.67	20,473

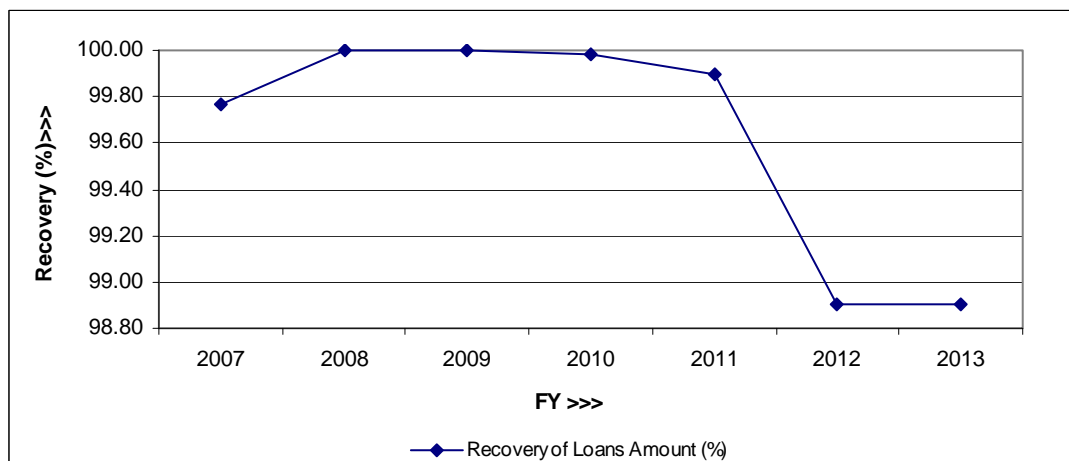
Source: 2014. ASA. *E-mail Statement*. Dhaka

Figure A11.7: Disbursement and Recovery of Agribusiness Loans by Association of Social Advancement

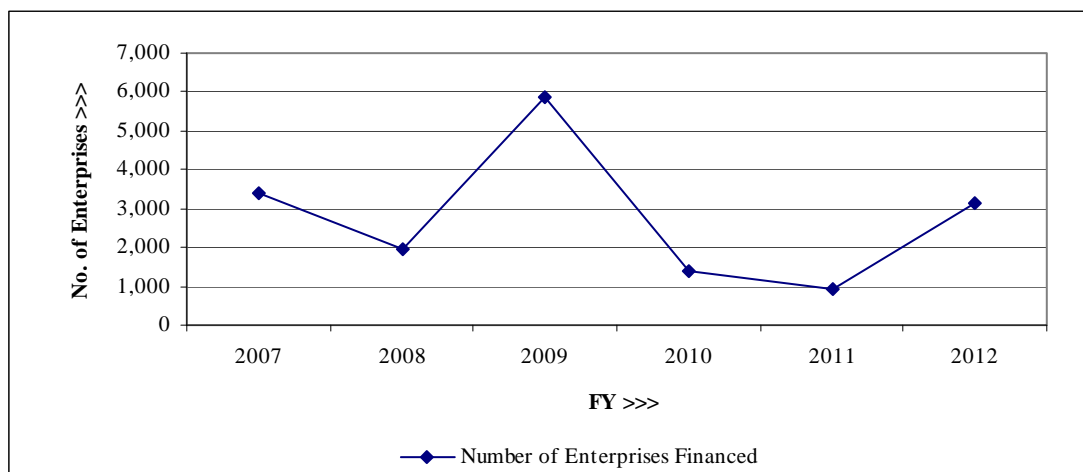


Source: 2014. ASA. E-mail Statement. Dhaka

Figure A11.8: Trend of Recovery of Agribusiness Loans by Association of Social Advancement



Source: 2014. ASA. E-mail Statement. Dhaka

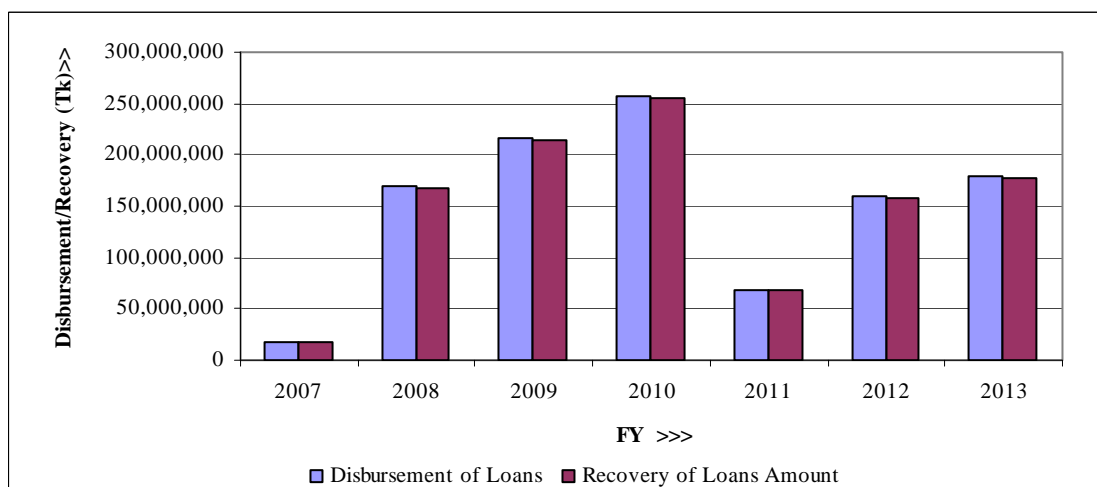
Figure A11.9: Trend of Agribusiness Enterprises Financed by Association of Social Advancement

Source: 2014. ASA. E-mail Statement. Dhaka

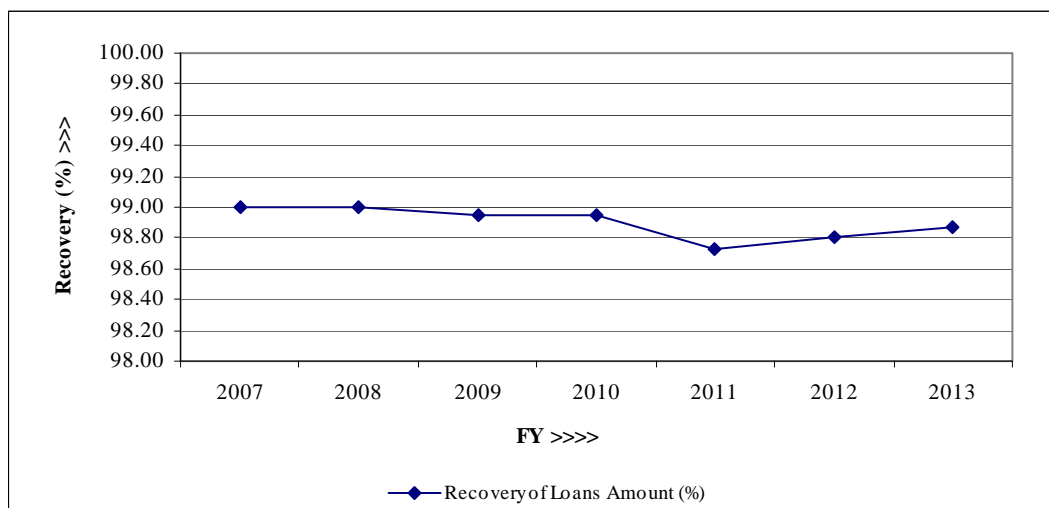
Table A11.4: Disbursement and Recovery of Agribusiness Loans by Thengamara Mohila Sabuj Sangha (TMSS)

Fiscal Year	Amount of Credit Disbursed (Tk)	Recovery of Loans		Number of Enterprises Financed
		Amount (Tk)	%	
2007	18,170,000	17,988,300	99.00	193
2008	169,432,000	167,737,680	99.00	2,426
2009	216,935,000	214,657,183	98.95	3,231
2010	257,548,000	254,843,746	98.95	3,799
2011	68,698,000	67,825,535	98.73	864
2012	160,000,000	158,080,000	98.80	1,953
2013	180,000,000	177,966,000	98.87	2,339
Total	1,070,783,000	1,059,098,444	98.91	14,805

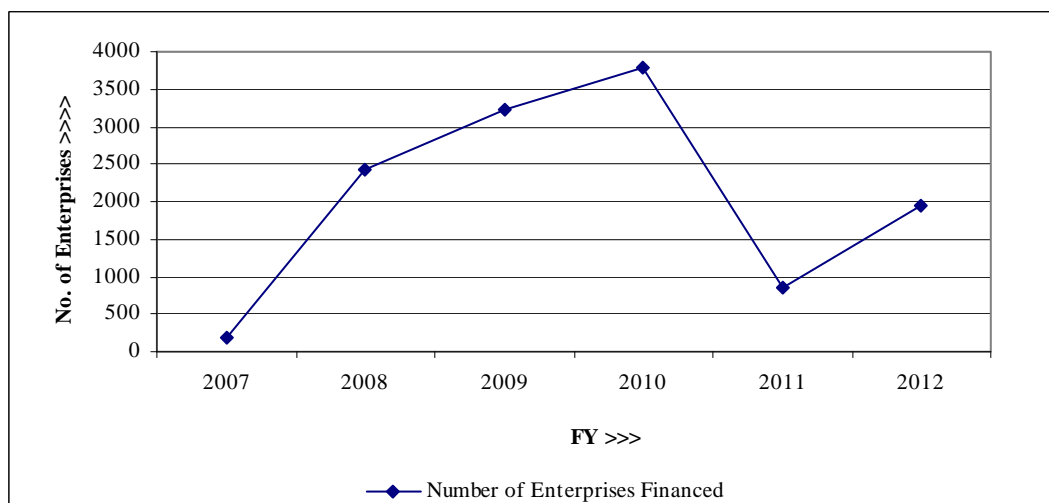
Source: 2014. TMSS. E-mail Statement. Dhaka

Figure A11.10: Disbursement and Recovery of Agribusiness Loans by TMSS

Source: 2014. TMSS. E-mail Statement. Dhaka

Figure A11.11: Trend of Recovery of Agribusiness Loans by TMSS

Source: 2014. TMSS. *E-mail Statement*. Dhaka

Figure A11.12: Trend of Agribusiness Enterprises Financed by TMSS

Source: 2014. TMSS. *E-mail Statement*. Dhaka

PROJECT BENEFITS AND IMPACTS

1. The project completion review (PCR) mission, in addition to the primary data, collected secondary data through a sample survey of 300 randomly selected agribusiness enterprises covering all divisions except Barisal. The purpose of the PCR Mission survey was to validate findings of secondary data where applicable and to assess project impacts and benefits. The PCR mission compared relevant data of the survey with the benefit monitoring and evaluation (BME) data of the project (collected in March 2010) and estimated changes for a number of major impact indicators where applicable.

2. The surveyed enterprises were financed under the project by all three participating nongovernment organizations (NGOs). The enterprises covered major agribusiness enterprise types including cow rearing; beef fattening; poultry (layer and broiler); fish farming; agriculture input production and marketing (fertilizer, seed, feed, farm machinery, and others); nursery; production and marketing of high value crops; transportation, storage, and marketing of agricultural crops; packaging of agricultural products, etc. The PCR mission assessed the operation of the enterprises in terms of utilization of agribusiness loans, skill gains, employment generation, production, processing and value addition, income and returns from enterprises.

3. While some enterprises were involved in one type of activity (e.g., production, processing, marketing, and input supply), some enterprises were involved in more than one activity. About 68.0% were involved in production, 58.3% in marketing, 17.6% in agro-processing, 9.6% in agriculture equipment and input, and 3.6% in multi-type agribusiness. A considerable number of enterprises (36.31%) funded under the project were owned and operated by women, and 30% of the women were involved in more than one activity (Table A12.1 and Table A12.2).

Table A12.1: Agribusiness Enterprises Financed

Agribusiness Enterprise Type	No. of Enterprises		No. of Enterprises Operated by Women	
	Number	% of respondents	Number	% of respondents
Cow rearing	102	34.0	31	47.0
Cow fattening	47	15.6	12	18.1
Poultry (layer) rearing	35	11.6	9	13.6
Poultry (broiler) rearing	39	13.0	10	15.1
Fertilizers and pesticides supply	22	7.3	0	0.0
Agriculture machinery	15	5.0	3	4.5
Nursery	6	2.0	1	1.5
Production of high value crops	34	11.3	6	9.0
Transportation of agricultural commodities	7	2.3	0	0.0
Agro-processing	23	7.6	2	3.0
Packaging of agricultural commodities	1	0.3	0	0.0
Marketing agricultural commodities	47	15.6	6	9.0
Storage of agricultural commodities	10	3.3	0	0.0
Multi-type agricultural related business	60	20.0	11	16.7

Source: ADB. 2013. *PCR Mission Survey*, Dhaka

Table A12.2: Prime Agribusiness Activities Supported

Type of Business Activity	Number of Activities*	% of Activities
Agricultural crop production	204	43
Agro-processing	53	11
Agricultural marketing	175	38
Agricultural equipment and input supply	29	6
Multi-type agri-business	11	2

Source: ADB. 2013. *PCR Mission Survey*. Dhaka

*Sample size 300 enterprises

4. Survey data indicated that 59.7% of entrepreneurs were involved in agribusiness, 17.0% in agriculture, 10.7% in housekeeping (housewife. Loan taken at her name but manage by other family member), 10.3% in multi-type activities, and 2.3% in other professions. In addition, 29% of the surveyed enterprises had less than 6 years' experience. Further, 95.0% of the surveyed entrepreneurs are continuing with the agribusiness credit support provided under the project, 4.7% have graduated and no need of further loans, and the remaining 0.3% are only defaulting (failed to repay in time) as of December 2013 (Tables A12.3 to A12.5).

Table A12.3: Occupations of the Entrepreneurs

Occupation	All Entrepreneurs				Women Entrepreneurs			
	Before Project		During Project		Before Project		During Project	
	No.	%	No.	%	No.	%	No.	%
Agriculture	137	45.70	51	17.00	27	41.0	12	19
Business	124	41.30	179	59.70	15	22.7	35	57
Service	13	4.30	7	2.30	2	3.0	0	0.0
Housekeeping	24	8.00	32	10.70	22	33.3	12	19
Multi-type activities	0	0.00	31	10.30	0	0.0	3	5

Source: ADB. 2013. *PCR Mission Survey*. Dhaka**Table A12.4: Business Management Experience of Entrepreneurs**

Years in Agribusiness	Number of Enterprises	% of Enterprises
1 year to 3 years	20	6.6
4 years to 6 years	68	22.6
7 years to 9 years	58	19.3
9 years to 12 years	87	29.2
12 years and above	67	22.3
Total	300	100

Source: ADB. 2013. *PCR Mission Survey*. Dhaka**Table A12.5: Present Status of the Entrepreneurs as of December 2013**

Status	Number	% of Enterprises
Utilizing project loan proceeds	285	95.0
Loans have been repaid fully and no further loans will be taken	14	4.7
Defaulted	1	0.3
Total	300	100.0

ADB. 2013. *PCR Mission Survey*. Dhaka

5. Of the surveyed enterprises, 52.0% had trade licenses and were listed with the respective registering authorities, 20.7% had paid income tax, and 21.7% had paid value-added tax. Additionally,

79.7% of enterprises kept proper accounts, 11.3% had registered trademarks of their products, and 9.3% had subcontract arrangements with wholesale traders. From the time of the BME survey in April 2010 to the PCR mission survey, enterprises made considerable improvements in business management and compliance with legal provisions and fair business practices (Table A12.6).

Table A12.6: Compliance with Commercial Requirements by the Enterprises

Requirements Fulfilled	BME Survey April 2010		PCR Mission Survey 2013		%Change BME-PCR
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprises	
Proper bookkeeping of accounts	412	68.4	239	79.7	11.3
Have trade license	362	60.1	156	52.0	(8.1)
Have trademarks	53	8.8	34	11.3	2.5
Pay income tax	-	-	62	20.7	20.7
Pay value-added tax	-	-	65	21.7	21.7
Work as contract supplier	37	6.1	28	9.3	3.2

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative, - = 0.

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

6. The PCR mission survey found that 76.7% of entrepreneurs needed larger capital resources to expand business volume beyond the project's credit limits. As a result, these entrepreneurs did not leave the project but borrowed additional funds from commercial banks and other sources. Indeed, only 1.6% of entrepreneurs defaulted for reasons including difficult market situations, business management failures, and difficult agribusiness credit conditions (Table A12.7).

Table A12.7: Scaled up from Agribusiness Entrepreneurs

Status of Upgradation and Need for Loan Proceeds	No. of Enterprises	% of Enterprises
Needs larger loan but has not yet fully scaled up	230	76.7
Scaled up and does not need loans	50	16.7
Has alternate loan facilities	15	5.0
Does not use loans anymore due to unfavorable conditions	5	1.6

ADB. 2013. *PCR Mission Survey*. Dhaka

7. The recovery percentage of agribusiness loans of all three participating NGOs was close to 100%, with only a few beneficiaries failing to repay on time. Reasons for defaulting included lack of marketing facility, unfavorable market prices, lack of skills to operate and manage an agribusiness, and fluctuation of production and prices (Table A12.8).

Table A12.8: Reasons for Loan Defaults

Reason	No. of Respondents	% of Respondents
Lack of marketing facility	10	3.3
Unfavorable market prices	15	5.0
Lack of skills to operate and manage an agribusiness	5	1.7
Loss of business for other reasons	6	2.0
Unfavorable loan conditions	5	1.7
Fluctuation of market prices	20	6.7
Decrease in production	8	2.7
Diseases and epidemics causing death of livestock	3	1.0

ADB. 2013. *PCR Mission Survey*. Dhaka

8. Of the surveyed enterprises, 89.0% needed agribusiness credit from the project to gradually expand their businesses, 23.3% to continue their current businesses, and 4.3% to start new businesses (Table A12.9). In addition, on average each enterprise employed 2.4 family laborers and 2.4 hired laborers, creating formal and informal jobs for 4.8 people (Table A12.10).

Table A12.9: Purpose of Borrowing by Enterprises

Purpose of Borrowing	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprises	
Start a new business	44	7.3	13	4.3	(3.0)
Continue with the current business	59	9.8	70	23.3	13.5
Expand the current business	499	82.9	267	89.0	6.1
Continue business without loans	-	-	178	59.3	59.3

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative, - = 0

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

Table A12.10: Employment Creation

Laborers by Gender	Family Laborers		Hired Laborers		Total Laborers	
	Number	Average/ Enterprise	Number	Average/ Enterprise	Number	Average/ Enterprise
Male laborers	505	1.68	558	1.86	1,063	3.54
Female laborers	220	0.73	150	0.50	370	1.23
Total laborers	725	2.41	708	2.36	1,433	4.77

ADB. 2013. *PCR Mission Survey*. Dhaka

9. Survey data indicated an average annual profit margin of 18.8%, with profit margins among the 300 surveyed enterprises varying from less than 12% to over 300%. While 15.0% of enterprises earned less than 12% profit, 29.7% of enterprises earned 13%–50% profit, and 18.3% of enterprises earned 51%–100% (Table A12.11).

Table A12.11: Profitability of Agribusiness Enterprises

Net Profit Margin (%)	Number of Enterprises	% of Enterprise
Below 12%	45	15.0
13%–20%	20	6.7
21%–30%	30	10.0
31%–40%	25	8.3
41%–50%	14	4.7
51%–100%	55	18.3
101%–150%	38	12.7
151%–200%	19	6.3
201%–300%	19	6.3
Above 300%	35	11.7
Total	300	100.0

ADB. 2013. *PCR Mission Survey*. Dhaka

10. Survey data indicated that 61.3% of entrepreneurs had reinvested their profits in their current business, 14.0% of entrepreneurs had invested their profits in new enterprises, and 24.3% of entrepreneurs had reinvested the profit in his/her own agribusiness enterprise for scaling up.. From 2010 to 2013, diversification of investment for new business decreased while spending profits on existing

businesses increased; these are good indications of the stability of the existing business (Table A12.12). Further, the entrepreneurs generally spent profit to meet essential family needs, with 62.6% spending on education, 51.6% on health, and 90.0% on other needs. From 2010 to 2013, spending on education and other needs increased while spending on health decreased (Table A12.13). Besides family needs, the entrepreneurs spent the earnings from profits to purchase land assets, furniture, electronic goods, and motorcycles.

Table A12.12: Reinvestment of Profits by Entrepreneurs

Reinvestment Purpose	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprises	
Invest in new business	360	59.8	42	14.0	(45.8)
Keep existing business going	72	12.0	73	24.3	12.3
Expand current business	465	77.2	184	61.3	(15.9)

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative.

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

Table A12.13: Spending Profits to Meet Family Needs

Purpose of Spending	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprises	
Education	373	61.9	188	62.6	0.7
Health	354	58.8	155	51.6	(7.2)
Other needs	421	69.9	270	90.0	20.1

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative.

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

Table A12.14: Spending Profits in Acquiring Assets

Purpose of Spending	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprises	
Purchase land assets	180	29.9	223	74.3	44.4
Purchase furniture	84	13.9	70	23.3	9.4
Purchase TV and/or freezer and/or telephone	92	15.3	65	21.6	6.3
Purchase motorcycles	39	6.5	61	11.3	4.8

BME = benefit monitoring and evaluation, PCR = project completion review.

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

11. The PCR survey found that 60.3% of enterprises sold their products at wholesale markets, 30.6% at both wholesale and retail markets, and 28.3% at retail markets only. In addition, 63.3% sold their products at local markets, 12.3% at regional markets, and 24.3% at both local and regional markets (Table A12.15).

Table A12.15: Methods for Selling Agricultural Commodities

Method for Sale of Agricultural Commodities	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprises	
Sell agricultural commodities at retail market	104	17.3	85	28.3	11.0
Sell agricultural commodities at wholesale market	278	46.2	181	60.3	14.1
Sell agricultural commodities at both types of markets	197	32.7	92	30.6	(2.1)
Sell agricultural commodities under contract sale	23	3.8	15	5.0	1.2
Sell agricultural commodities at other places	0	0	5	1.6	1.6

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative.

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

12. The survey revealed that 83.3% of entrepreneurs set prices based on market prices, 13.0% do so based on discussions with buyers, and 3.0% do so through contract marketing arrangements. Further, 75.3% of enterprises collect information through mobile phones, 64.6% through personal . contacts, 2.6% from radio and television, 1.3% from newspapers, and 5.0% from other sources (Table A12.16).

Table A12.16: Price Setting and Gathering of Market Information

Method	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Enterprises	% of Enterprises	No. of Enterprises	% of Enterprise	
Set prices according to market prices	487	80.9	250	83.3	2.4
Set prices based on discussions with buyers	92	15.3	39	13.0	(2.3)
Set prices according to contracts	23	3.8	9	3.0	(0.8)
Collect market information through mobile phone	337	55.9	226	75.3	19.4
Collect market information through personal communications	357	59.3	194	64.6	5.3
Collect market information through print media	40	6.6	4	1.3	(5.3)
Collect market information through electronic media	35	5.8	8	2.6	(3.2)
Collect market information through other sources	0	0	15	5.0	5.0

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative.

ADB. 2013. *PCR Mission Survey*. Dhaka; and ADB. 2010. *BME Survey*. Dhaka

13. The entrepreneurs interviewed as part of the survey reported that project marketing facilities enabled them to achieve easy access to markets. However, some entrepreneurs reported an absence of these facilities in their areas, indicating that marketing facilities have not grown and developed everywhere as needed (Table A12.17). Some respondents (25.7%) reported that there were agribusiness associations in their area, and 24.4% of respondents have close connection with the associations (Table A12.18).

Table A12.17: Access to Markets for Selling Agricultural Commodities

Facilities for Marketing Agricultural Commodities	Access of Male Entrepreneurs		Access of Female Entrepreneurs	
	No.	% of 234 male respondents	No.	% of 66 female respondents
There are difficulties for marketing agricultural commodities	53	22.6	14	21.2
There is scope of getting fair prices	154	65.8	38	57.6
There is scope of getting higher prices	106	45.3	25	37.9
There are local market management committee	174	74.4	35	53.0
There are contact with local market management committee	167	71.4	35	53.0

Source: ADB. 2013. *PCR Mission Survey*. Dhaka**Table A12.18: Agribusiness Associations**

Scenario	No. of Enterprise	% of 300 Enterprises Surveyed
Enterprises having an agribusiness associations in their respective area	77	25.7
Entrepreneurs having close connection with local agribusiness associations	73	24.3
Entrepreneurs having access to credit from the participating NGOs	162	54.0

Source: ADB. 2013. *PCR Mission Survey*. Dhaka

14. A comparison of the trainings received prior to the project and during the project showed a considerable increase in skills in agribusiness development and management. The trainings covered issues like agribusiness management and development, dairy farming, fish farming, cow rearing, beef fattening, poultry rearing, production and marketing of agricultural products, and women's entrepreneurship development (Table A12.19).

Table A12.19: Trainings Provided under the Project

Training Topic	Before Joining the Project		PCR Mission Survey 2013		% Change
	No. of Entrepreneurs	% of 160 Respondents	No. of Entrepreneurs	% of 300 Respondents	
Agribusiness management and development	14	8.8	92	30.6	21.8
Agriculture commodity marketing	7	4.4	135	45.0	41.4
Beef fattening	17	10.6	46	15.3	4.7
Dairy farming	35	21.9	85	28.5	6.6
Fish farming	35	21.9	76	25.6	3.7
Poultry rearing	10	6.3	24	8.0	1.7
Production and marketing of agricultural products	5	3.1	19	6.3	3.2
Women's entrepreneurship development	4	2.5	30	10.0	7.5
Entrepreneurs did not take any of the trainings	33	20.6	0	0	

PCR = project completion review.

Source: ADB. 2013. *PCR Mission Survey*. Dhaka and ADB. 2010. *BME Survey*. Dhaka

15. The respondents identified several major risks and constraints of agribusiness development. (Table A12.20).

Table A12.20: Risks of Agribusiness Reported by Entrepreneurs

Reported Risks and Challenges	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Entrepreneurs	% of Respondents	No. of Entrepreneurs	% of Respondents	
Technical knowledge and know-how	213	35.4	120	40.0	4.6
Competition	217	36.0	69	23.0	(13.0)
Natural calamities	338	56.1	196	65.3	9.2
Social problems	92	15.3	24	8.0	(7.3)
Difficulty getting access to credit	78	13.0	11	3.6	(9.4)
Public policy on agribusiness	75	12.5	53	17.6	5.1

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative.

Source: ADB. 2013. *PCR Mission Survey*. Dhaka and ADB. 2010. *BME Survey*. Dhaka

16. The respondents reported that the trainings had significant impacts on agribusiness management and development, production of safe food, and poverty reduction, and limited impacts on market price of agricultural commodities, improvement of the quality of agricultural produce, supply of agricultural products, value addition of agricultural products, participation of women in agribusiness, and freedom from social barriers (Table A12.21).

Table A12.21: Entrepreneurs' Opinions of the Benefits of Trainings

Benefits	Good Impact		Little Impact		No Impact	
	No. of Entrepreneurs	% of Respondents	No. of Entrepreneurs	% of Respondents	No. of Entrepreneurs	% of Respondents
Agribusiness management and development	186	62.0	99	33.0	14	4.7
Production of safe food	181	60.3	96	32.0	22	7.3
Market price of agricultural commodities	144	48.0	128	42.7	28	9.3
Quality of commodities produced	157	52.3	108	36.0	33	11.0
Supply of commodities	130	43.3	138	46.0	32	10.7
Primary processing of commodities	129	43.0	105	35.0	65	21.7
Value addition of commodities	108	36.0	132	44.0	59	19.7
Access to market information	114	38.0	140	46.7	45	15.0
Participation of women in agribusiness	123	41.0	123	41.0	54	18.0
Leadership in social and/or political activities	97	32.3	131	43.7	71	23.7
Women's relief from barriers and/or superstition	126	42.0	128	42.7	42	14.0

Benefits	Good Impact		Little Impact		No Impact	
	No. of Entrepreneurs	% of Respondents	No. of Entrepreneurs	% of Respondents	No. of Entrepreneurs	% of Respondents
Poverty reduction	187	62.3	92	30.7	21	7.0

Source: ADB. 2013. *PCR Mission Survey*. Dhaka

17. Of the surveyed entrepreneurs, 95.7% indicated awareness of the general risks and challenges in agribusiness, 11.7% acknowledged environmental effects, and 10.3% acknowledged social impacts. With 71.3% of entrepreneurs reporting that they need cooperation with other entrepreneurs in agribusiness, this justifies the need for strong and effective agribusiness associations linked to higher tiers of association networks (Table A12.22).

Table A12.22: Level of Awareness about Risk in Agribusiness

Response Type	No. of Entrepreneurs	% of Respondents
Awareness on risk in agribusiness	287	95.7
Awareness about environmental effects of agribusiness	35	11.7
Awareness about social impacts of agribusiness	31	10.3
Entrepreneurs need cooperation with other entrepreneurs	214	71.3
Entrepreneurs need loan assistance	183	61.0
Entrepreneurs need necessary training	163	54.3

Source: ADB. 2013. *PCR Mission Survey*. Dhaka

18. Of the 300 surveyed enterprises, only 66 enterprises (22%) were managed by women entrepreneurs. They reported that 59.0% of enterprises were managed by women, while 33.3% were managed by husbands, 6.0% by sons, and 1.7% by fathers. The level of empowerment of women entrepreneurs increased from the BME survey in April 2010 to the PCR mission survey in 2013 (Table A12.23).

Table A12.23: Level of Empowerment of Women Entrepreneurs

Empowerment Indicators	BME Survey April 2010		PCR Mission Survey 2013		% Change
	No. of Entrepreneurs	% of Women Respondents	No. of Entrepreneurs	% of Women Respondents	
Operates and manages enterprise herself	104	44.8	39	59.0	14.2
Husband operates and manages enterprise	108	46.6	22	33.3	(13.3)
Father operates and manages enterprise	20	8.6	1	1.5	(7.1)
Son operates and manages enterprise	0	0	4	6.0	6.0
Makes decision for using loan proceeds alone	101	43.5	45	68.1	24.6
Makes decision for using loan proceeds with husband	116	50.0	52	78.7	28.7
Makes decision for using loan proceeds with father	15	6.5	3	4.5	(2.0)
Makes decision for using loan proceeds with son	0	0	8	12.1	12.1
Can spend business income herself	0	0	54	81.8	81.8

BME = benefit monitoring and evaluation, PCR = project completion review.

() = negative.

Source: ADB. 2013. *PCR Mission Survey*. Dhaka, and ADB. 2010. *BME Survey*. Dhaka

19. The women entrepreneurs were asked whether their social status improved due to their participation in the project. Due to receiving credit for their agribusinesses, 92.4% said their social status in the family improved, 92.4% said their status in society improved, 92.4% said their participation in social activities increased, and 33.3% said their participation in political activities increased. (Table A12.24).

Table A12.24: Social Status of Women Entrepreneurs after Participation in the Project

Status	Number	% of Women Respondents
Status in family was enhanced after utilizing loan	61	92.4
Status in society improved after utilizing loan	61	92.4
Participation in social activities increased after utilizing loan	61	92.4
Participation in political activities increased after utilizing loan	22	33.3

Source: ADB. 2013. *PCR Mission Survey*. Dhaka

20. The respondents made several general suggestions for future similar agribusiness development projects (Table A12.25).

Table A12.25: Suggestions for Improvement of Future Agribusiness Development Projects

Suggestions from Entrepreneurs	No. of Entrepreneurs	% of Respondents
Trade wise Improved training	62	20.6
Agricultural credit at easy terms	29	9.6
Long-term loan facilities	20	6.6
Long-term training	15	5.0
Guaranteed fair price of agricultural commodities produced	15	5.0
Further improvement of existing communication system	7	2.3
Easy access to market facilities	6	2.0
Social and political stability in the country	4	1.3
Projects should publicize facilities more widely	4	1.3
Availability of all inputs at fair prices	2	0.6
Availability of good quality livestock feeds at fair prices	2	0.6
Opportunity of exporting agricultural commodities	2	0.6
Repayment of loan should start after 4 months after disbursement	1	0.3
Availability of improved variety of cows	1	0.3

Source: ADB. 2013. *PCR Mission Survey*. Dhaka

Case Studies – Success Stories of Two Women Entrepreneurs as Example of Project Impact

Ms. Salina Begum

1. Selina was born in 1977 in Taragong, Rangpur. She passed the secondary school certificate examination and married a man from the same village. In order to supplement family income, she started rearing poultry. She approached Thengamara Mohila Sabuj Sangha (TMSS) for a loan and was granted a small agribusiness credit of Tk5,000 to start a small 50-chicken poultry farm. She ran it profitably, gaining poultry rearing knowledge and skills, including marketing in the local markets.

2. Later, Selina applied for a larger sum from TMSS and was granted a second loan of Tk35,000, which helped her increase her flock size to 500 chickens. Previously, she had reared day-old chicks for 30–35 days before selling them through local market channels. After the second loan, she planned to expand her enterprise through rearing and value addition by selling chicken meat and related items in the local market through her own shop. Her husband joined to support her expanded marketing push. This time, TMSS granted third loan of Tk435,000 with an equity contribution from Selina of Tk200,000. Selina

received training from TMSS under the Bangladesh Agribusiness Development Project in rearing poultry, value addition, simple accounting, and marketing.

3. Selina encourages others and offers them advice about small enterprise development. She also employs neighbors at her farm to help them generate the interest and skills necessary to start their own enterprises. Selina has built up a local network of agribusiness and support services, and she is an example of a successful entrepreneur and a source of encouragement for many rural unemployed men and women.

Ms. Dilafriz Begum

1. Dilafriz was born in Dagonbhuyian, Feni in 1976 to a poor family, read only up to grade 8, and married before she turned 18. Her husband was a poor farmer who managed to buy two calves and involved Dilafriz in the rearing of the calves with a small agribusiness loan from TMSS. Dilafriz built a small dairy farm, which grew in size over the years. Dilafriz also gave birth to two children in the meantime.

2. Unfortunately, her husband died at a young age due to prolonged illness. Dilafriz continued to access agribusiness support from TMSS, applying and being granted larger sums based on her past performance and entrepreneurial capabilities. Dilafriz increased the size of her herd to 18 and established a value addition linkage by selling milk locally through marketing agents and making curd from the milk and selling it to designated shops. Although her products were not branded, customers gave them unofficial brand names due to their quality, and they became very popular in the local markets.

3. Dilafriz established cold chain for temporary storage of the milk and dairy products to avoid loss and deterioration of quality. She has improved the condition of her house further and purchased some land for agriculture and raising fodder for the cows and for their grazing. Dilafriz now has about Tk1,000,000 in cash and several hundred thousand Taka invested in livestock, feed, milk, curd, and infrastructure. In addition, she is respected by society and her family based on her strong reputation as an entrepreneur.