

Promoting Agricultural Commercialization and Enterprises (PACE) Project

(IFAD Loan No. 2000000722, Grant no. 2000000835)

Half-Yearly Progress Report

January-June, 2015



Palli Karma-Sahayak Foundation (PKSF)

PKSF Bhaban

Plot: E-4/B, Agargaon Administrative Area
Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh

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1. Introduction:

Palli Karma-Sahayak Foundation (PKSF) was established by the Government of Bangladesh in 1990, as an apex organization for poverty alleviation through employment creation. Since its inception, PKSF has been implementing various programs and projects for poverty alleviation through its Partner Organizations (POs). PKSF has been providing financial and non financial services to micro entrepreneurs through its POs to run various enterprises since 2001. PKSF has completed successful implementation of three projects financed by International Fund for Agricultural Development (IFAD), namely; Microfinance and Technical Support (MFTS) Project, Microfinance for Marginal and Small Farmers (MFMSF) and Finance for Enterprise Development and Employment Creation (FEDEC) Project. The main feature of these three projects was combining technical supports with the financial services to expedite the poverty reduction process.

Based on the experience and lessons learnt from the above-mentioned three projects, PKSF and IFAD agreed to launch a new project for the development of farm and non-farm microenterprises in the country. The financing agreement of the project was signed on 11th December 2014 between the Government of Bangladesh and IFAD. Subsequently, PKSF signed a Subsidiary Loan and Grant Agreement (SLGA) with the Ministry of Finance on 18th January as the Project Implementation Agency (PIA).

The project is being implemented across the country through the POs of PKSF. The project will provide financial services to micro entrepreneurs i.e. who are borrowers of Micro enterprise loan program (non poor), moderately poor and extremely poor people. In terms of professional identities, the project will target marginal and smallholder farmers involved in field crops, horticulture, fisheries, livestock and non-farm producers of various sizes, and professionals in service sectors. Both women and men will be direct beneficiaries of the project; the majority of the direct beneficiaries will be women. The project implementation period is six years (January 2015-December 2020).

This half yearly report of the project contains the descriptions of progress of activities done during January-June 2015. The project has so far made good progress in providing financial services for microenterprises under the component-1 while it has made a little progress in taking value chain development projects and technology transfer under component-2 and 3 respectively. All the activities related to project start-up took place during this six month period. The major initial activities of the project done during the period is opening of project account, appointing officials for the project including Project Coordinator, Completing the recruiting process of other key project personnel, completing the process of procurement and commencing the baseline survey of the project. The project also arranged training courses to enhance capacity of the officials of PKSF and its POs on ME management and Value Chain Development project management.

2. Project description:

2.1 Project Goal: The project goal is to enhance livelihoods (higher income from self employment, business profit and wage employment and food security) of the moderate and extreme poor project participants (men and women) in a sustainable manner.

2.2 Development Objectives: The development objective is to improve profitable business opportunities for micrentrepreneurs and create wage employment of extreme and moderate poor people.

2.3 Project Components: The project has three complementary components; 1) financial services for microenterprises, 2) value chain development, and 3) technology and product adaptation. In addition project management is an additional activity to implement and coordinate all activities of the projects.

2.4 Project cost:The total project cost is USD 92.85 million. Component wise cost allocation is given below.

Financial services for Microenterprise	: USD 70.60 million
Value Chain Development	: USD 15.00 million
Technology and Product Adaptation	: USD 0.87 million
Project Management	: USD 6.38 million
.....	
Total USD 92.85 million	

2.5 Project Financing: The project is jointly financed by IFAD, PKSF and POs of PKSF. The breakdown of project financing is given below;

IFAD	USD 40.00 million
*Korean grant	USD 0.36 million
PKSF	USD 22.45 million
POs	USD 30.04 million
.....	
Total USD 92.85 million	

* The Korean grant will be used to set up an internet based platform for marketing of ME's products.

2.6 Logical Framework

Design summary	Performance targets and indicators	Monitoring mechanism & information sources	Assumptions
Project Goal: Enhance livelihoods (higher income from self-employment, business profit and wage employment, and food security) of the moderate and extreme poor (men and women) in a sustainable manner.	<ul style="list-style-type: none"> 60% households reporting improvements in household asset ownership index 50% increase in income of 70% participating moderate and extreme poor households from farm, non-farm and service type businesses and wage employment 	Impact surveys of households at baseline, mid- term and completion qualitative (PRA) assessment of participating HHs and quantitative assessment (profitability analysis) of microenterprises	<ul style="list-style-type: none"> Economy maintains or increase growth rates Terms of trade for rural communities shall not deteriorates Price inflation for staple food (rice) remains below 10% Rural and peri-urban

Design summary	Performance targets and indicators	Monitoring mechanism & information sources	Assumptions
			<p>infrastructure improves</p> <ul style="list-style-type: none"> • Prolonged political unrest does not hinder business and other economic activities.
<p>Development objective: Increase sales and incomes from existing and new microenterprises, and create new wage employment opportunities for extreme and moderate poor people.</p>	<ul style="list-style-type: none"> • 70% existing microenterprises have increased combined sales by 50% after receiving project credit and technical support • 70% of newly included enterprises (out of which 50% are owned by women) are profitable 3 years after receiving support new wage employment positions created through project activities and taken up by moderately and extremely poor people (of which 10% are women). 	<p>PACE project annual assessment report on business expansion and employment creation impact assessments PRA assessments</p>	<ul style="list-style-type: none"> • Government maintains pro-small business policies • Government continues to support microfinance programme and NGO activities

Component-1: Financial services for microenterprise

Design Summary	Performance targets and indicators	Monitoring Mechanism & Information Sources	Assumptions
<p>Outcome 1: Sustainable financial services for MEs (farm, off-farm, trading and service sectors) expanded.</p>	<ul style="list-style-type: none"> • PKSF's portfolio in ME program increases at least by Taka 3,200 million. • POs' portfolio in ME loan program increases by Taka 5,600 million. • 5% of POs offering the new products 12 months after the first introduction by PKSF • 5% percent of a POs' portfolio consists of the new loan products 2 years after the first introduction by the PO. 	<p>PKSF's program/financial reports POs program/financial reports PACE project report</p>	<ul style="list-style-type: none"> • Demand for microenterprise loan grows • POs remains institutionally and financially viable and offer competitive loan products. • No major external shocks such as major spread of disease
<p>Outputs: 1. Expansion of on-going loan program for MEs in all sectors 2. Piloting of new loan products</p>	<ul style="list-style-type: none"> • Increase in number of ME borrowers by 102,000. • Cumulative loan disbursement to additional 	<p>Reports from PKSF and POs Project MIS Independent assessment of microenterprise loan program and performance of pilot</p>	<ul style="list-style-type: none"> • Portfolios quality of ME loan program of POs remains high (PAR <5%)

Design Summary	Performance targets and indicators	Monitoring Mechanism & Information Sources	Assumptions
3. Capacity building of PKSf and POs	<ul style="list-style-type: none"> project borrowers Taka 61,200 million; Number of new product piloted: 2-3; 125 PKSf, 250 PO officers trained 	products Training assessment report	<ul style="list-style-type: none"> Loan recovery rate of overall ME program and ME loan of POs remain high (>95%) HR capacity of POs for management of microfinance programme enhanced

Component-2: Value chain development

Design Summary	Performance targets and indicators	Monitoring Mechanism & information Sources	Assumptions
<p>Outcome2: Sustainable inclusion of MEs and businesses in value chains in agriculture, off-farm and service sectors to up-scale business, production technologies, and enhance access to markets.</p>	<ul style="list-style-type: none"> Taka 9000 million increase in cumulative sales of participating businesses (farm and non-farm sectors) in value chains 50% of microenterprises (out of 300000 beneficiaries of value chain subprojects) operating 3 years after the support received from the project 	<p>Impact assessment of value chains</p> <p>Project reports and MIS impact assessment</p> <p>Case studies</p>	<ul style="list-style-type: none"> PKSF and POs remain committed to facilitating non-financial services along with providing financial services program to MEs PKSF and POs successfully establish collaborative business arrangements between MEs and mainstream businesses. No major external shocks such as disease
<p>Outputs:</p> <ol style="list-style-type: none"> MEs and agri-businesses sustainably included in agricultural value chains in various parts of the country MEs sustainably included in value chain for non-farm manufacturing, processing and service products or group of products Capacity of PKSf and POs enhanced to formulate and manage large scale value chain subprojects and identify opportunities for partnership with the private business sector for microenterprises Capacity of PKSf, POs and microenterprises to identify, advocate and strengthen pro-poor business policies, especially sector specific policies, enhanced Electronic platform 	<ul style="list-style-type: none"> 10,000 acres of additional land brought under production of selected VCs, 50% increase in poultry birds and livestock of beneficiaries of VCD subprojects VC development activities in 15 agricultural and non-farm subsectors 5,000 agricultural and 2,500 non-farm MEs linked with larger firms as suppliers and contract growers 200,000 agricultural and 50,000 non-farm microentrepreneurs trained 200,000 MEs adopted new technologies 10,000 Local service providers (farm and non-farm sectors) strengthened in VCs 50 PKSf/GoB and 200 POs officials trained on VC project design and management 	<p>Impact assessment of value chains</p> <p>Project reports and MIS</p> <p>Case studies</p>	<ul style="list-style-type: none"> PKSF establishes separate non-financial services division with competent human resources PKSF enhances overall capacity to manage value chain projects, supervise POs in these areas PKSF recruits adequate officers POs establishes separate non-financial services units and enhances capacity to manage value chain projects Facilitation of non-financial services become mainstream services of POs Private business companies are interested in sourcing products from microenterprises and willing to engage in partnership in the selected value chains

Design Summary	Performance targets and indicators	Monitoring Mechanism & information Sources	Assumptions
	<ul style="list-style-type: none"> • 80 PKSf/PO officials are trained on preventing environmental degradation and improving conditions in work place • 5 policy papers written and submitted and 5 dialogue activities held • 100 PKSf, GOB and POs officials trained business/sector policy analysis and advocacy • Electronic platform established 		

Component 3: Technology and Product Adaptation

Design summary	Performance targets and indicators	Monitoring mechanism & information Sources	Assumptions
Outcome-3: Proven technologies and products introduced by MEs	Transfer of 20 proven Technologies and products successfully to Small Producers.	Independent assessment reports PACE reports	PKSF and POs successfully identify technologies and products for small producers within value chain subprojects and outside
Outputs: 1. Resolution of technological problem identified under component-2 2. Adaptation and dissemination of readily available technologies and products 3. TA and studies	<ul style="list-style-type: none"> • Address 6 technological problems • Technological Knowledge dissemination to 50000 MEs/farmers • 10 subsector studies, 5 technical feasibility studies, 4 sector specific impact studies, organize 4 consulting advisory services for VCDs and 1 physical environment studies. 	Independent assessment reports of technologies and product introduced PACE reports IFAD supervision reports Case studies	Successful identification of capable research stations within the country.

3. Progress of activities under different components of the project:

3.1 Component 1: Financial services for microenterprise:

The outcome of this component is sustainable financial services for microenterprises (farm, off-farm, trading and service sectors) expanded.

The proposed outputs are: a) expansion of microenterprise loans for various sectors (e.g. agriculture, off-farm, trading and services); b) piloting of new loan products; and c) capacity building of PKSf and POs

in designing and developing of new financial products, monitoring, evaluation and impact assessment of ME program, and application of information technology in management of POs.

a) Financial Services: PKSF provides finance to its POs for providing financial services to microenterprises. The microenterprise program of PKSF is supported by the component-1 of the PACE Project. The disbursement target of PKSF and POs under this component is **BDT 905.11 million** in whole project period. IFAD is committed to provide 50% of net disbursement made by PKSF to POs, while net disbursement is calculated by adding total loan disbursement of the period with the opening loan outstanding with POs and then subtracting the total recovery for that particular period. The PACE project was started in January 2015. Here we took the loan outstanding of 31st December as the beginning balance.

PKSF set target to make net disbursement of BDT 517.21 million as ME loan to its POs for the year 2015. During the first six months of the PKSF disbursed BDT 511.28 million against the target for the whole year, which is 98.85%. On the other hand POs net disbursement to field was BDT 5750.09 million. ME loans are invested in different enterprises under agriculture, off-farm, trading and service sectors. POs of PKSF disbursed ME loan to the members from the fund received from PKSF, and from their own resources generated from savings and equity.

At present 160 POs of PKSF are running Microenterprise Loan program financed by PKSF. A total of 727,287 micrentrepreneurs are receiving loans under microenterprise program supported by PACE project. The PACE target to finance additional 1,02,000 micrentrepreneurs under the component-1.

Details of lending information are given below:

Fig. in BDT million

PKSF to POs level		As on 31 December, 2014	As on 30 June, 2015	Increase/Decrease during the period
No. of districts	:	64	64	--
No. of POs	:	160	160	--
Cumulative disbursement (BDT in million)	:	28124.1	31044.8	2920.70
Cumulative recovery (BDT in million)	:	18572.24	21090.99	2518.747
Outstanding loans with POs (BDT in million)	:	9551.858	10063.138	511.28
Cumulative Recovery rate (CRR)		99.26	99.70%	0.44%
POs to Field level:				
No. of borrowers with current loan	:	647876	727287	79411

PKSF to POs level		As on 31 December, 2014	As on 30 June, 2015	Increase/Decrease during the period
Female	:	446784	513146	66362
Male	:	201092	214141	1349
Cumulative loan disbursement (BDT in million)	:	206010.196	241710.186	356999.90
Cumulative recovery (BDT in million)	:	175767.103	205717.004	29949.901
Outstanding with borrowers (BDT in million)	:	30243.093	35993.182	5750.089
Average loan size	:	83496	81683	-1813
Cumulative Recovery Rate (CRR)	:	99.30%	99.27%	-0.03

- a) **Piloting of new loan products:** Under this component the project has provision to pilot new financial products like start-up capital loan, lease financing, livestock insurance etc. for MEs. Although piloting has not yet started at field level, information and policies of some products are collected during the reporting period. PMU is analysing the collected information and policies in this connection. The piloting phase will be started by October 2015.
- b) **Capacity building of PKSF and POs:** Under the capacity building, PACE set target to organize training for 50 officials of PKSF and POs on the issues relating to Microenterprise Management, Development of new financial products, Monitoring, Evaluation and Impact assessment of ME program.

PACE organized training courses for 24 PKSF officers and 25 PO officers on the above-mentioned subjects in two different batches in June 2015. As per the suggestion described in PIM, a specialized training providing organization named Bangladesh Institute of Management (BIM) was given the responsibility to conduct these training courses.

A total of 25 officials from Partner Organizations and 24 officials of PKSF attended the courses. Resource persons from different specialized organizations including BIM conducted the sessions of the courses. The participants received technical knowledge on different aspects of Microenterprise Management and Methods of Designing New Financial Products for microenterprises from the courses

3.2 Component 2; Value chain development:

The outcome of this component is sustainable inclusion of microenterprises and businesses run by the poor and the ultra-poor in value chains in agriculture, off-farm and service sectors to up-scale business, production technologies, and enhance access to markets.

The outputs of the component are to: a) establish and expand value chains of 15 agricultural subsectors (products or group of products) in various parts of the country; b) establish and expand value chains for 15 non-farm manufacturing, processing and service subsectors (products or group of products) in various parts of the country; c) strengthen capacity of PKSf and POs to manage large-scale value chain subprojects; d) support PKSf and POs to identify, advocate and strengthen pro-poor business policies, especially sector specific policies (i.e. through capacity building); and e) set up an internet based platform to disseminate commodity prices from various wholesale markets and to transact products microentrepreneurs.

- a) **Value chain interventions on agricultural sub-sectors:** The project has a total target of establishing or expanding value chains of 15 agricultural subsectors. According to Project Implementation Manual (PIM), these Value Chain Development (VCD) activities are to be implemented by POs of PKSf in different regions of the country. In AWPB of 2015, the project has targeted to intervene on 06 agricultural subsectors for the value chain development.

Before inviting proposals, workshops were organized to provide orientation to its POs, about subsector based value chain development and the procedure of preparing proposals for value chain interventions. After the orientation programs, POs were invited to submit proposals for value chain development interventions.

The VCD interventions are proposed by POs and finalized through a well institutionalised process of PKSf. The proposals are placed to the value chain evaluation committee. The committee evaluates the proposals and recommend for approval if found satisfactory. The Management of PKSf gives final approval for any such proposals duly recommended by the value chain evaluation committee.

PMU has taken a value chain development sub project to develop the cow rearing sub sector. The title of the sub-project is 'Income and Employment Generation through Cow rearing in Char Areas'. This value chain sub project is being implemented in 05 uapzilas (sub-district) of Tangail district. A total of 5,000 farmers are receiving technical and technological supports under this initiative. Society for Social Service (SSS), a partner organization of PKSf is engaged to implement this sub project at the field level.

Another value chain development sub project titled Black Bengal Goat Farming was selected during the period for implementation. PKSf is going to sign agreement with the concerned PO for this purpose. The value chain project was proposed by WAVE foundation. As per the proposal, the project will be implemented in 03 upazilas of Meherpur district. A total of 6,000 farmers will participate in the project.

Besides, some other proposals are under process of evaluation by PMU.

- b) **Value chains for non-farm sub-sectors:** A proposal for the benefit of women workers involved in embroidery sub-sector was evaluated by the Value Chain Evaluation Committee of PKSf. The proposal is now under the consideration of PKSf management.
- c) **Strengthen capacity of PKSf and POs to manage large-scale value chain subprojects:** PACE project organized a training course for PKSf officials to enhance their capacity in managing Value Chain Interventions. A total of 25 officials took part in the course. The resource persons of PKSf and other specialised organization conducted the sessions in the training course. The participants could learn about the technical aspects of value chain management. PACE has a plan to organized more courses on the same topic for the officials of PKSf and POs.

In addition to that, PKSF organized two workshops on Value Chain Development. A total of 50 representatives of different POs attended the workshops. Besides PKSF's officials including panel supervisors of operation department took part in the workshops. The participants received detailed guideline to prepare proposal for value chain development interventions from the workshop.

- d) **Support PKSF and POs to identify, advocate and strengthen pro-poor business policies, especially sector specific policies:** Since it is just the beginning of the project, PACE is yet to identify such areas to suggest development of business policies. As the value chain interventions proceed on, hopefully number of policy issues will be identified within the 1st or 2nd year of the project in this regard.
- e) **Set up an internet based platform to disseminate commodity prices from various wholesale markets:** The project has the provision to establish an e-platform for providing internet based marketing supports to the micro enterprises. An amount of USD 0.36 million is allocated from Korean fund for this purpose. PKSF has prepared terms and reference for establishing e-platform and conducting feasibility study for this purpose. Besides, PKSF discussed with some ICT firms to have an understanding of the process of the whole work.

3.3 Component 3; Technology and product adaptation:

The outcome of this component is proven technologies and products (agricultural and off-farm) from Bangladeshi and international sources introduced to microentrepreneurs. The outputs are: a) Resolution of technological problems identified under component 2; b) adaptation and dissemination of proven technologies and products and c) provision for technical assistance.

- a) **Resolution of technological problems identified under Value Chain Development Component:** PKSF has not set any target for the first year of the project as value chain interventions on some sub project will be rolled out in the beginning stage of the project and technological problems identification will be done as per the requirement of the value chain. However, PKSF has identified some technological problems in different sub sectors and is providing supports to overcome those problems.

On the basis of the experience gained while making value chain interventions on crab sub sector, PKSF identified that establishment of hatchery is a necessity to support the sector. However so far there is no crab hatchery in Bangladesh. At present farmers depend on the crab fries collected from natural sources for crab fattening, which may have negative environmental consequences.

PKSF is considering to establish a crab hatchery in Satkhira district to facilitate crab sub-sector, flourishing in that place. The proven technology could be brought from Vietnam. PKSF has started negotiation process with a Vietnamese organization to this end.

- b) **Adaptation and dissemination of proven technologies and products:** PKSF responds as per the requirement of the sub sector in order to provide supports for adaptation and dissemination of technologies. PACE has given technological supports like extension of Artificial Insemination

(AI), Silage making, Balanced Concentrated Feed Preparation, De-worming and regular vaccination under the recently taken value chain sub project for the development of cow rearing.

- c) **Provision for technical assistance:** Under PACE project, PKSF will provide technical assistance as per the requirement of any value chain development sub-projects. PKSF has signed MoUs with different specialised technical organizations to extend technical assistance to the entrepreneurs involved in various sub-sectors. Some of such organizations are Bangladesh Agricultural Research Institution (BARI), Bangladesh Shrimp and Fish Foundation (BSFF), Practical Action Bangladesh and Bangladesh Agricultural University (BAU) etc. PKSF will involve these organizations to bring their technical supports to the people in the field.

4. Project management:

4.1 Project Staffing: A Project Management Unit (PMU) has been established at PKSF for managing project activities. A General Manager of PKSF was appointed as the Project Coordinator. The project has provisions for following 25 positions;

1. Project Coordinator 01
2. Assistant Manager (new product piloting) 01: component-1
3. Value Chain Project Supervisor 02 : component-2
4. Value Chain Specialist (non-farm sector) 02: Component-2
5. Value Chain Specialist (farm sector) 01: component-2
6. Assistant Manager (technology adaptation) 01: component-3
7. Procurement/admin/logistic Specialist 01
8. M&E and KM Specialist 01
9. Financial Analyst (planning and budgeting) 01
10. Accounts Officer 02
11. Driver 02

PKSF appointed its seven mainstream officers in the project. As on 30 June 2015 following seven offices were working for PACE including the Project Coordinator.

Sl no.	Name	Designation	Responsibility/Designation in PACE
1	Mr. Akond Md. Rafiqul Islam	General Manager	Project coordinator
2	Mr. Gokul Chandra Biswas	Assistant General Manager	ME and Value Chain Development
3	Mr. Md. Habibur Rahman	Manager	M&E, Value Chain Development
4	Mr. Md. Manir Hossain	Manager	Value Chain Development
5	Mr. Musharraf Hossain	Manager	Value Chain Development, Procurement, financial Planning and budgeting
6	Ms. Afrin Sultana	Manager	Value Chain Development, Training and workshop
7	Ms. Mahmuda Morshed	Deputy Manager	Value Chain Development

8	Mr. Maznu Sarker	Assistant Manager	Value Chain Development
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The recruitment process of three Value Chain Specialists, five Value Chain Managers, one Procurement Specialist, one Financial Analyst, one Assistant Manager (new product Piloting), and two accounts officers were completed during the reporting period. New recruits are expected to join by August 2015.

4.2 Start-up workshop: The start up workshop of the project was organized on 4th March 2015 to share the key information of the project including goal, objectives and activities. Mr. M A Mannan, MP, honorable State Minister, Ministry of Finance and Ministry of Planning, Government of the People's Republic of Bangladesh, was the Chief Guest in the workshop while Mr. Mohammad Mejbahuddin, Senior Secretary of Economic Relations Division, Ministry of Finance was the Special Guest. Dr. Qazi Kholiqzaman Ahmad, Chairman, PKSf presided over the workshop. Mr. Nicolas Syed, Country program Officer of IFAD attended the workshop on behalf IFAD. Around four hundred officials of different government and private sector organizations including PKSf and its Partner Organizations (POs) attended the workshop.

4.3 Baseline Survey: PACE has a provision to conduct a baseline survey to collect baseline information of the project participants. The project has prepared the Terms of Reference (ToR) for the survey. The process of recruiting consultant was completed within the reporting period. The consultant started the survey. The survey will be completed by October 2015. The performance of the project will be measured on the basis of findings of the baseline survey.

4.4 Procurement (goods): Procurement under the project was in progress during the reporting period. There are provisions for procuring furniture, vehicles, office equipments. The concerned department of PKSf started the process of procuring these goods. The procurement of all goods under the project was completed by July 2015.

5. Financial progress of the project:

PKSf received USD 4.0 million from IFAD as initial advance. The expenditures of the project during January to June 2015 are shown in the following table;

Description of activities	Logframe indicators	Budget for Jan-June'15					Spent (January to June'15) in Tk.
		Source of Fund					
		IFAD	Korean Fund	PKSf	PO	Total	
Component 1: Financial services for micro enterprises							
Microenterprise loan disbursement	c) Incremental ME Loan outstanding.	258.610		258.600	387.900	905.110	511.2805
Capacity building training of PKSf officers in design and development of new financial products.	a) PKSf officers trained.	0.400				0.400	0.399802
Capacity building training of Pos officers in design and development of new financial products.	b) POs officers trained.	0.400				0.400	0.37756
VAT	amount disbursed **			0.120		0.120	
Total of component- 1		259.410	0.000	258.720	387.900	906.030	512.058

Description of activities	Logframe indicators	Budget for Jan-June'15					Spent (January to June'15) in Tk.
		Source of Fund					
		IFAD	Korean Fund	PKSF	PO	Total	
Component 2: Value Chain Development							
Value chain development activities in agricultural subsectors	b) Value chain development activities are implemented in agricultural subsectors involving input suppliers, producers, traders, (in some cases processors, retailers, exporters) and service providers	30.000				30.000	
Value chain development activities in non-agricultural subsectors	a) Value chain development activities are implemented in non-farm subsectors involving input suppliers, producers, traders, (in some cases processors, retailers, exporters) and service providers	6.000				6.000	
PKSF/GoB and POs officials training on VC project design and management	a) PKSF/GoB and POs officials trained on VC project design and management	0.400				0.400	0.137594
Regional VCD workshops	no. of workshops organized **	0.100				0.100	0.092582
VAT				0.075		0.075	
Total of component- 2		36.500	0.000	0.075	0.000	36.575	0.230
Component 4: Project Management.							
A. Office equipment							
1. Laptop with modem	no. of equipment **	1.760				1.760	1.815314
2. Scanner	no. of equipment **	0.035				0.035	0.031429
3. Fascimile	no. of equipment **	0.025				0.025	
4. Computer printer	no. of equipment **	0.140				0.140	0.137
5. Photocopy machine	no. of equipment **	0.150				0.150	
6. Cell phones	no. of equipment **	0.330				0.330	
7. Office furniture	no. of equipment **	1.100				1.100	0.300948
8. Training equipment (multi-media, camera, etc.)	no. of equipment **	0.100				0.100	
9. VAT on PMU office equipment				0.102		0.102	0.099187
10. VAT on PMU office furniture				0.044		0.044	0.018057
Su-btotal		3.640	0.000	0.146	0.000	3.786	2.402
B. Vehicles							
1. Four-wheel drive	no. of vehicle**	10.000				10.000	
2. Taxes for Vehicle				10.000		10.000	
Su-btotal		10.000	0.000	10.000	0.000	20.000	0.000
C. Monitoring, evaluation and impact assessment							
1. Project start-up workshop	number	0.600				0.600	0.570052
2. Baseline survey	no. of study conducted**	0.800				0.800	

Description of activities	Logframe indicators	Budget for Jan-June'15					Spent (January to June'15) in Tk.
		Source of Fund					
		IFAD	Korean Fund	PKSF	PO	Total	
3. External audit	no. of study conducted**	0.050				0.050	0.05
4. VAT on items				0.217		0.217	
Sub-total		1.450	0.000	0.217	0.000	1.667	0.620
D. Personnel-PMU-PKSF							
Project coordinator-01	no. of person employed**			1.200		1.200	
Assistant manager- 01 (New product piloting-IFAD contribution)	no. of person employed**	0.402				0.402	
VC project supervisor- 02	no. of person employed**	1.560				1.560	1.162853
VC project manager (Assistant manager)- 10	no. of person employed**	3.456				3.456	1.807224
Assistant manager - 01 (Technology and product)	no. of person employed**	0.144				0.144	0.108302
VC specialist- 02 (of f -farm/service sector)	no. of person employed**	0.364				0.364	
VC specialist- 01 (agribusiness)	no. of person employed**	0.364				0.364	
Procurement specialist/ Admin/ Logistic- 01	no. of person employed**	0.194				0.194	
M&E and KM specialist- 01	no. of person employed**	0.194				0.194	
Financial analyst planning budget- 01	no. of person employed**	0.194				0.194	
Accounts officer- 02	no. of person employed**	0.098				0.098	
Driver- 02	no. of person employed**	0.048				0.048	0.08
Sub-total		7.018	0.000	1.200	0.000	8.218	3.158
E. TA/DA							
1. PMU (IFAD contribution)	amount spent**	0.800				0.800	
2. PKSF's contribution	amount spent**			0.600		0.600	0.485116
Sub-total		0.800	0.000	0.600	0.000	1.400	0.485
F. Rent and utilities (PKSF contribution)	amount spent**			1.000		1.000	1
G. Vehicle O&M (IFAD)	amount spent**	0.200				0.200	
H. Meetings costs (IFAD)	amount spent**	0.050				0.050	0.018945
I. Cellphone operations/ Internet (IFAD)	amount spent**	0.250				0.250	0.0358
J. Stationaries/ Printing/ Communication/ Misc. (IFAD)	amount spent**	0.700				0.700	0.41192
Sub-Total		1.200	0.000	1.000	0.000	2.200	1.467
Total of component- 4		24.108	0.000	13.163	0.000	37.271	8.132
Total		320.018	0.000	271.958	387.900	979.876	520.420

6. Conclusion:

The preliminary activities of the project were done during the first six months of the project. The recruitment of project key personnel has been done. The project is now running in full swing. It is hoped that the project will make a good progress in all its components during the current financial year.
