

Promoting Agricultural Commercialization and Enterprises (PACE) Project

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

Half-Yearly Progress Report

July-December, 2015



Palli Karma-Sahayak Foundation (PKSF)

PKSF Bhaban

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

Contents

1. Introduction:.....	2
2. Project description:.....	2
Progress of activities under three components of the project.....	6
3.1 Component 1:	6
Financial services for microenterprise:	6
3.2 Component 2:	8
Value chain development:	8
3.3 Component 3; Technology and product adaptation:.....	12
4. Project management:	13
5. Financial progress of the project:.....	0
6. Conclusion:.....	0

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 experienced learnt from the above mentioned three projects, PKSF launched Promoting Agricultural Commercialization and Enterprises Project (PACE). The project is jointly financed by PKSF, IFAD and POs of PKSF. 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 are be direct beneficiaries of the project; the majority of the direct beneficiaries are women. The project implementation period is six years (January 2015-December 2020).

This report of the project contains the descriptions of progress of activities done during one year from July 2015-June 2016. Up to June 2016 the project has passed a total of one year six months period from its initiation. At the end of June 2016 the project has achieved 274,000 ME loan borrowers. The ME borrowers for this year was 243,000. Up to June the project has taken 14 value chain development project has been taken. Every VCD project are using various technologies. Moreover country's first 'crab hatchery' has been established under the component of technology transfer and product adaptation component.

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
<p>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.</p>	<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 	<p>Impact surveys of households at baseline, mid- term and completion qualitative (PRA) assessment of participating HHs and quantitative assessment (profitability analysis) of microenterprises</p>	<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 infrastructure improves • Prolonged political unrest does not hinder business and other economic activities.

Design summary	Performance targets and indicators	Monitoring mechanism & information sources	Assumptions
<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-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 Project reports and MIS impact assessment 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 	<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 	<p>Impact assessment of value chains Project reports and MIS 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-

Design Summary	Performance targets and indicators	Monitoring Mechanism & information Sources	Assumptions
<p>value chain subprojects and identify opportunities for partnership with the private business sector for microenterprises</p> <p>4. Capacity of PKSf, POs and microenterprises to identify, advocate and strengthen pro-poor business policies, especially sector specific policies, enhanced</p> <p>5. Electronic platform</p>	<p>50,000 non-farm microentrepreneurs trained</p> <ul style="list-style-type: none"> • 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 • 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 		<p>financial services become mainstream services of POs</p> <ul style="list-style-type: none"> • Private business companies are interested in sourcing products from microenterprises and willing to engage in partnership in the selected value chains

Component 3: Technology and Product Adaptation

Design summary	Performance targets and indicators	Monitoring mechanism & information Sources	Assumptions
<p>Outcome-3: Proven technologies and products introduced by MEs</p>	<p>Transfer of 20 proven Technologies and products successfully to Small Producers.</p>	<p>Independent assessment reports PACE reports</p>	<p>PKSF and POs successfully identify technologies and products for small producers within value chain subprojects and outside</p>
<p>Outputs:</p> <p>1. Resolution of technological problem identified under component-2</p> <p>2. Adaptation and dissemination of readily available technologies and products</p> <p>3. TA and studies</p>	<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 	<p>Independent assessment reports of technologies and product introduced PACE reports IFAD supervision reports Case studies</p>	<p>Successful identification of capable research stations within the country.</p>

	services for VCDs and 1 physical environment studies.		
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Progress of implementation of activities under Project components

3.1 Component 1: Financial services for microenterprise

The project is providing financial services to microenterprises to expand existing microenterprises and undertake new enterprises. The outcome of this component is sustainable financial services for microenterprises (farm, off-farm, trading and service sectors) expanded, while outputs of the component are:

- a) Expansion of microenterprise loans for various sectors (e.g. agriculture, off-farm, trading and services)
- b) Piloting of new loan products
- 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. Project activities and targets under this component are to:

- Reach 102,000 microenterprise borrowers within first three years, that is, by 2017. PKSf and POs will mobilize an additional USD 50 million to finance this subcomponent. All IFAD loan amount is expected to be drawn down within the first three years and PKSf/POs will continue refinancing these new 102,000 borrowers during the rest of the project period and beyond. This process will ensure exit for IFAD, and sustainability of financial services.
- Pilot 2-3 new loan products to develop new loan products to meet emerging needs of microenterprises. The project budget allocates resources for feasibility studies as well as capital for lending. POs will be the actual implementer of this piloting within their ME clients.
- Train an estimated 375 persons (PKSf and PO officials) in areas such as management of large scale ME loan program, monitoring and evaluation of ME program, impact assessment, and application on information technology in management and monitoring of ME loan program. The training courses may be organized by PKSf or outsourced to training providers such as business schools and qualified training institutions.

Progress of the implementation of the component

- a) **Financial Services:** PKSf launched its microenterprise program in 2001 and since then it has been providing fund to its POs for implementing microenterprise lending program. The Microenterprise Program of PKSf is now known as *Agrosor* Program meaning Program for Advanced People. PACE is intended to strengthen and expand this existing microenterprise program of PKSf through its financial services component.

The net disbursement target of PKSf and POs under this component is BDT 3200.0 million in first three years of the project that is 2015-17. As per the project arrangement, IFAD finances 50% of the net disbursement in any given period. Difference between opening outstanding (loan balance with POs) and closing outstanding is considered as net disbursement.

The project's target of net disbursement was BDT 1264.0 million for the for the year 2015 (January–December). The project's actual achievement during the period was BDT 1518.64 million. The achievement is 120% of the target.

On the other hand, POs net disbursement to field was BDT 10,024.0 million.

ME loans are invested in different enterprises under agriculture, , trade, processing and service sectors. POs disburse ME loan to the members from the fund received from PKSf, and from their own resources generated from savings and equity.

At the end of reporting period 170 POs of PKSf were implementing Microenterprise Loan program. The number of microentrepreneurs under the program was 820,528 on 31st December 2015. Among them, 27.5% was male and remaining 72.5% was female.

Detailed information regarding financial services is given below:

PKSF to POs level		As on 31 December, 2014	As on 31June, 2015	As on 31 December, 2015	Increase/Decrease during the project period
No. of districts	:	64	64	64	--
No. of POs	:	160	160	170	10
Cumulative disbursement (BDT in million)	:	28124.1	31044.8	34576.9	6452.8
Cumulative recovery (BDT in million)	:	18572.24	21090.90	23506.4	4934.16
Outstanding loans with POs (BDT in million)	:	9551.858	10063.138	11070.5	1518.64
Cumulative Recovery rate (CRR)		99.26	99.48%	99.50%	0.24%
POs to Field level:					
No. of borrowers with current loan	:	647876	727287	820528	172652
Female	:	446784	513146	594705	147921
Male	:	201092	214141	225823	24731
Cumulative loan disbursement (BDT in million)	:	206010.196	241710.186	279862.53	73852.33
Cumulative recovery (BDT in million)	:	175767.103	205717.00	2395954.19	2220187.087
Outstanding with borrowers (BDT in million)	:	30243.093	35993.182	40267.1	10024.007

PKSF to POs level		As on 31 December, 2014	As on 31 June, 2015	As on 31 December, 2015	Increase/Decrease during the project period
Average loan size in BDT	:	83496	81,683	84,339	843
Cumulative Recovery Rate (CRR)	:	99.30%	99.36%	99.39%	0.09%

- a) **Piloting of new loan products:** The project has provision to pilot new financial products like start-up capital loan, lease financing, livestock insurance etc. for MEs. PACE has initiated a process to pilot two new loan products namely i) Start-up capital loan and ii) Lease Financing. PACE project will conduct feasibility studies on these two products. PACE Prepared the Terms and Reference (ToR) for these two feasibilities studies and took approval from appropriate authorities. The consultant will be recruited shortly.
- b) **Capacity building training of PKSF/PO officers in design and development of new financial products, monitoring, evaluation and impact assessment of ME program, and application of information technology in management of POs:**

The project has a provision to train a total of 125 PKSF officers and 250 PO officers on design and development of new financial products, monitoring, evaluation and impact assessment of ME program, and application of information technology in management during the whole project period. The PACE had target to train 75 PKSF officers and 100 officers of POs for the year 2015.

The project trained 24 officers of PKSF and 50 officers of POs during January to June 2015. A specialized training providing organization named Bangladesh Institute of Management (BIM) was given the responsibility to conduct these training courses. No training course on this subject was organized during the reporting period (July to December 2015).

3.2 Component 2: Value chain development

The PACE focuses on developing potential sub-sectors with a view to increase income and employment in those subsectors. 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 Value Chain Development component are to:

- Establish and expand value chains of 15 agricultural sub-sectors (products or group of products) in various parts of the country
- Establish and expand value chains for 15 non-farm manufacturing, processing and service sub-sectors (products or group of products) in various parts of the country
- Strengthen capacity of PKSF and POs to manage large-scale value chain subprojects
- Support PKSF and POs to identify, advocate and strengthen pro-poor business policies, especially sector specific policies (i.e. through capacity building)
- Set up an internet based platform to disseminate commodity prices from various wholesale markets and to transact products micro entrepreneurs

The main activities under the Value Chain Development are to i) make VCD interventions on 15 farm subsectors ii) make VCD interventions on 15 non-farm subsectors, iii) train PKSF and POs officials on

design and management of large-scale value chain development projects, iv) identify, analyse, document important sector specific policy issues and v) Develop an internet based platform for sharing commodity price information and marketing of products produced by MEs

Progress of the implementation of activities under Value Chain Development Component

- a) **Value chain interventions on agricultural sub-sectors:** The project has a target of implementing value chain development sub projects on 15 agricultural sub-sectors in different regions of the country. By the end of December 2015, PKSf started implementation 03 VCD sub projects on 03 sub sectors namely i) Cow rearing, ii) Black Bengal Goat rearing and iii) Crab Culture. PKSf approved other three VCD projects on Beef fattening and Cow rearing in December 2015. The implementation of these projects will be started very shortly.

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.

The summary of the ongoing farm VCD projects is given below;

Sl.no	Name of the Project	Implementing PO	Project area	Objectives	Major Interventions	Number of Beneficiaries	Date of commencement
1.	Cow rearing in Char ares	Society for Social Service (SSS)	05 uapzilas (sub-district) of Tangail district which are- Tangail Sadar, Delduar, Bhuyapur, Nagarpur and Kalihati.	To increase productivity and income of the farmers involved in the sub-sectors by 60-70% and to create employment for the poor people in the project areas.	<ul style="list-style-type: none"> - Technical training - workshop with input suppliers - market linkage workshop - disease-calendars - awareness raising leaflets, posters - Artificial insemination - Develop local livestock service providers (LSP) and provide kit box - vaccination and deworming camp - Training to the milk-man for collecting and preserve milk in a hygienic way and 	5000	28 June 2015

Sl.no	Name of the Project	Implementing PO	Project area	Objectives	Major Interventions	Number of Beneficiaries	Date of commencement
					<ul style="list-style-type: none"> provide small milk cane - Training to the milk product producers so that they produce product in a healthy and hygienic way - Dead cow disposal system - Cattle insurance service - Animal health card - High yielding fodder cultivation - Continuous technical and technological supports 		
2.	Black Bengal Goat	WAVE Foundation	Meherpur Sadar, Gangni and Mujibnagar upazillas under Meherpur district	<p>To increase meat production</p> <p>To increase income.</p> <p>To create employment opportunities</p>	<ul style="list-style-type: none"> - Technical training on modern dairy farming and farm management (Breeding, feeding, housing and Diseases controlling) - Linkage workshop -market linkage workshop -disease-calendars, awareness raising leaflets, posters - Artificial insemination -livestock service providers (LSP) and provide kit box -vaccination and deworming camp - training to the milk-man - training to the milk product producers - Disposal of the dead cow in a systematic manner so that no disease can throw in the air 	6300	7 June 2015

Sl.no	Name of the Project	Implementing PO	Project area	Objectives	Major Interventions	Number of Beneficiaries	Date of commencement
					<ul style="list-style-type: none"> - Cattle insurance service - Health cards - High yielding fodder cultivation - Continuous technical and technological supports 		
3.	Crab Culture	Nawabeki Ganamukhi Foundation (NGF)	Shyamnagar, Kaliganj, Asasuni upazilla of Shatkhira District and at Paikgacha and Kaira Upazilla of Khulna district	To increase productivity and income of crab farmers To create new entrepreneurs	<ul style="list-style-type: none"> -Skill Development Training - Market Linkage Workshops -Technological supports -Demonstration farm 	2000	July 9, 2015

b) **Value chains for non-farm sub-sectors:** The project has a target of implementing value chain development sub projects on 15 non-farm sub-sectors in different regions of the country. PKSf started implementation of one non farm VCD project on **embroidery/Dress making sub-sector managed by women entrepreneurs** in October 2015. **Through** this VCD sub project, as many as 3000 beneficiaries of Tanor, Godagari, Mohonpur and Paba upazillas of Rajshahi District and Chapainwabganj Sadar upazilla of Chapinawabganj district will receive technical and marketing support for their businesses and activities. The VCD sub project is being implemented by ‘ASHRAI’ a Partner Organization of PKSf.

c) **Strengthen capacity of PKSf and POs to manage large-scale value chain subprojects:** Following the provision for organizing training courses for PKSf and POs’ officials, PACE project organized training courses for 25 officers of PKSf and 86 officers of POs in 2015 on Value Chain Development Project design and Management.

During the reporting period (July to December), the project organised training courses for 86 POs’ officers in 04 batches.

Resource persons of various specialized organizations including PKSf conducted sessions in these training courses.

d) **Support PKSf and POs to identify, advocate and strengthen pro-poor business policies, especially sector specific policies:**

PACE initiated the process to identify, advocate and strengthen pro-poor business policies according to the Action Plan for policy engagement- strategy paper supplied to PKSF by IFAD. The paper suggested working on following three issues; i) `Market orientation of agriculture and agri-business promotion' ii) `Promotion of non-farm microenterprises through value chain development and iii) Sector specific policy issues (for example, livestock, fisheries etc.

- e) **Set up an internet based platform to disseminate commodity prices from various wholesale markets: PKSF conducted a** feasibility study through a competent ICT expert for establishing e-market platform. The study was completed and draft report of the study was presented during the reporting period. The study found infrastructural arrangement of Bangladesh very favourable to est up e-market platform and recommended establishing e-market platform for microenterprises.

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 micro entrepreneurs. The outputs are: a) Resolution of technological problems identified under component 2, b) Adaptation and dissemination of proven technologies and products, c) Provision for technical assistance

The activities under Technology and product adaptation are; a) address six technological problems; b) transfer 15 proven technology/products to small producers, c) conduct 26 subsector and technical feasibility studies, 5 sector specific impact studies and organize associated consulting services.

Progress of the implementation of activities under Technology and product adaptation component

PACE project identified some technological problems while designing VCD sub projects on different sub sectors. The main technological solutions given by the project are i) introducing artificial insemination in cow rearing subsector ii) introducing urea molasses straw (UMS) feed technology in cow rearing subsector iii) introducing lactometer for testing quality of milk in cow rearing subsector iv) introducing and expanding pearch method of rearing in black Bengal goat subsector, v) introducing high yielding fodder cultivation, vi) introducing crab fattening method in crab culture subsector etc.

PKSF took initiative to transfer crab hatchery technology from Vietnam to Bangladesh. A study to explore possibility of establishing crab hatchery in coastal areas of Bangladesh was conducted during the reporting period. The study was conducted by a Vietnamese development organization named Center for Education and Community Development (CECD). The Vietnamese experts suggested constructing a crab hatchery in coastal areas of Satkhira district. The construction of hatchery and initial operation of the hatchery will be done under direct supervision of Vietnamese experts.

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 led by the Project Coordinator who is a General Manager of PKSf. 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

The list of PACE project staffs is given below:

<i>Sl no.</i>	<i>Name</i>	<i>Designation</i>
1	Mr. Akond Md. Rafiqul Islam	Project Coordinator, PACE Project & General Manager (Ops), PKSf
2	Mr. Gokul Chandra Biswas	Chief of Microenterprise Program & Assistant General Manager (Ops), PKSf
3	Mr. Md. Habibur Rahman	Value Chain Supervisor, PACE Project & Manager (Ops), PKSf
4	Mr. Md. Manir Hossain	Value Chain Project Manager, PACE Project & Manager (Ops), PKSf
5	Mr. Musharraf Hossain	Value Chain Supervisor, PACE Project & Manager (Ops), PKSf
6	Ms. Afrin Sultana	Value Chain Project Manager, PACE Project & Manager (Ops), PKSf
7	Ms. Mahmuda Morshed	Value Chain Project Manager, PACE Project & Deputy Manager (Ops), PKSf
8	Mr. Maznu Sarker	Value Chain Project Manager, PACE Project & Assistant Manager (Ops), PKSf
9	Dr. S. M. Faruk-Ul-Alam	Value Chain Specialist, PACE Project
10	Mr. Md. Mehedi Hasan	Value Chain Specialist, PACE Project
11	Mr. Md. Rafizul Islam	Value Chain Specialist, PACE Project
12	Mr. Md. Mohidul Islam	Financial Analyst, PACE Project
13	Mr. A B M Al Jaber Hirok	Procurement Specialist, PACE Project
14	Mr. Md. Zahed Al Nayon	Assistant Manager (New Product Piloting)
15	Mr. Shaikh Nazrul Islam	Value Chain Project Manager, PACE Project
16	M/S Shanchita Islam	Value Chain Project Manager, PACE Project
17	Mr. Md. Masum Sharkar	Value Chain Project Manager, PACE Project
18	Mr. Md. Motiur Rahman Chowdhury	Value Chain Project Manager, PACE Project
19	Mr. H M Anowarul Islam	Accounts Officer, PACE Project
20	Mr. Abu Saleh Mohammad Rajib	Accounts Officer, PACE Project
21	Mr. Zahirul Hoque	Driver-01
22	Mr. Md. Hasan	Driver-02

The process of recruiting one Value Chain Project Manager and one M&E and Knowledge Management Specialist was started in the second half of 2015.

4.4 Procurement:

Procurement vehicles, equipments, furniture and other logistics

The procurement of vehicles, equipments, furniture and other logistics was completed by December 2015.

Baseline Survey

A baseline survey of PACE Project was conducted to collect benchmark information of the project participants on various socio-economic indicators. A consulting firm named Development Technical Consultants Pvt. Ltd. (DTCL) appointed by PKSf carried out this survey. The survey team collected information and data of 1400 direct and 375 indirect beneficiaries of the Project from 16 districts of the country. The final report of the survey was submitted by DTCL in February 2016.

The benchmark information collected through this survey will be used to measure the changes of socio economic conditions of the Project participants at the middle and at the end of the Project. PKSf will conduct midterm outcome survey and the impact survey of the Project.

5. Achievement of physical targets at a glance:

Description of activities	Physical targets & achievements							
	Unit	Project Total (2015-2020)	Target (jan15-to june16)	Achievement (Jan -June 15)	Achievement jul 15-dec15	Cummulative achievement (jan15-dec15)	% of the planned cmmulative target	% of the achievement against project total target
Component 1: Financial services for micro enterprises								
Incremental ME borrower and loan outstanding.	member	102000	70000	79411	93241	172652	187	129
Piloting of new product studies.	number	2	2	0	0	0	0	0
Capital funds for new loan products	member	200	50		0	0	0	0
PKSF officers trained in design and development of new financial products etc	member	125	100	24	0	24	25	20

Description of activities	Physical targets & achievements							
	Unit	Project Total (2015-2020)	Target (jan15-to june16)	Achievement (Jan -June 15)	Achievement jul 15-dec15	Cummulative achievement (jan15-dec15)	% of the planned cmmulative target	% of the achievement against project total target
POs officers trained in design and development of new financial products etc	member	250	125	25	0	25	20	10
ME program review workshops	member	6	1		1	1	100	17
Component 2: Value Chain Development								
Value chain development activities in farm sectors	number	15	8	1	2	3	38	20
Value chain development activities in non-farm sectors	number	15	7		1	1	14	7
PKSF/GoB and POs officials trained on VC project design and management	number	250	150	25	86	111	74	44
PKSF/GOB/POs officials are given overseas exposure visits on value chain development	number	80	40		2	2	5	3
PKSF/PO officials are trained on preventing environmental degradation	number	80	20		0	0	0	0
Policy issues identified, policy papers written and submitted to relevant authorities	number	5	1		0	0	0	0
Policy dialogue among national stakeholders is promoted (e.g. seminars)	number	5	1		0	0	0	0
PKSF, GOB and POs officials trained business/sector policy analysis and advocacy	number	100	20		0	0	0	0
Technologically functional and sustainable	number	1	1		0	0	0	0

Description of activities	Physical targets & achievements							
	Unit	Project Total (2015-2020)	Target (jan15-to june16)	Achievement (Jan -June 15)	Achievement jul 15-dec15	Cummulative achievement (jan15-dec15)	% of the planned cmmulative target	% of the achievement against project total target
electronic platform established								
Regional VCD workshops	number	20	10	2	0	2	20	10
Annual review workshops of VCD projects	number	6	1		0	0	0	0
Component 3: Technology and product adaptation								
Problems identified, research conducted and solutions disseminated	number	6	2		0	0	0	-
Technology transfer and products adaptation within Bangladesh	number	15	3		0	0	0	0
Technology transfer and products adaptation outside Bangladesh	number	5	1		1	1	100	20
Subsector studies (agri, non-farm, services)	number	10	5		0	0	0	0
Technical feasibility studies	number	5	3		0	0	0	0
Consulting/advisory services for VCD projects (national & foreign)	number	4	2		0	0	0	0
Overall sectoral VCD project impact studies	number	4	0		0	0	-	0
Physical enviroment (waste management)	number	1	1		0	0	0	0
Component 4: Project Management.								
A. Equipments								
Laptop with modem	number	22	22	22		22	100	100
Scanner	number	1	1	1		1	100	100
Audio reacorder	number	1	2		1	1	50	100
High resution camera	number	1	2		1	1	50	100
Computer printer	number	2	2	2		2	100	100
Cell phones	number	22	44		17	17	39	77

Description of activities	Physical targets & achievements							
	Unit	Project Total (2015-2020)	Target (jan15-to june16)	Achievement (Jan -June 15)	Achievement jul 15-dec15	Cummulative achievement (jan15-dec15)	% of the planned cmmulative target	% of the achievement against project total target
Office furniture	number	22	22	22		22	100	100
VAT on Office Furniture			0			0	-	
VAT on Office Equipement			0			0	-	
B. Vehicles								
Vehicles (Jeep-1, Microbus-1)	number	2	4	2	0	2	50	100
C. Monitoring, evaluation and impact assessment								
Project start-up workshop	number	1	1	1		1	100	100
Baseline survey	number	1	2		1	1	50	100
Mid-term impact study	number	1	0			0		0
Final impact assessment	number	1	0			0		0
KM and advocacy products	number	6	1			0	0	0
External audit	number	6	2	1		1	50	17
Sub-Total		90	105	75	20	95	90	106
Total		103294	70657	75	51922	51997	74	50

6. Financial progress of the project:

<i>Components</i>	<i>Budget</i>			<i>Expenditure</i>		<i>Burning Ratio</i>		
	<i>Total Project Budget for 2015-2020</i>	<i>Total Project Budget upto Dec'15</i>	<i>Total project Budget Jul-Dec'15</i>	<i>Total expenditure Jul-Dec'15</i>	<i>Actual Expenditure upto Dec'15</i>	<i>% of project fund for Jul-Dec'15</i>	<i>% of project fund upto Dec'15</i>	<i>% of total project fund</i>
Component - 1: Financial Services for Microenterprises	5,644,750,000	2333430000	1427400000	5281313736	760,143,300	370%	32.58%	13.47%
Component - 2: Value Chain Development	1150675000	111525000	74950000	13091127	18,491,309	17%	16.58%	1.61%
Component -3: Technology and Product Adaptation	65175000	8750000	8750000	1304119.94	1,304,120	15%	14.90%	2.00%
Component -4: Project Management	366961000	76810500	39539500	32328122.69	27,362,212	82%	35.62%	7.46%
Unallocated	30000000							
Total	7257561000	2530515500	1550639500	5328037106	807,300,940	344%	31.90%	11.12%
Physical and price contingencies	170599000							
Grand Total in BDT	7428160000	2530515500	1550639500	5328037106	807,300,940	344%	31.90%	10.87%

5. Conclusion:

The project made good progress in its first year of implementation. The pace of implementation of all activities has gained momentum. PMU has taken initiative to accomplish all activities suggested by IFAD Supervision Mission. It is expected that the project will attain all its objectives and targets within the stipulated timeline.