

# Promoting Agricultural Commercialization and Enterprises (PACE) Project

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

## Half-yearly Progress Report

July-December, 2016



**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, the 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 to run various enterprises since 2001. It has successfully implemented three projects financed by the International Fund for Agricultural Development (IFAD), namely; Microfinance and Technical Support (MFTS) Project, Microfinance for Marginal and Small Farmers (MFMSF) Project and Finance for Enterprise Development and Employment Creation (FEDEC) Project. The main feature of these three projects was combining technical support with the financial services to expedite the poverty reduction process.

Based on the experiences of above-mentioned three projects, the PKSF launched Promoting Agricultural Commercialization and Enterprises (PACE) Project in January 2015. The project is jointly financed by PKSF, IFAD and POs of PKSF. The financing agreement of the project was signed on 11<sup>th</sup> December 2014 between the Government of Bangladesh and the IFAD. Subsequently, PKSF signed a Subsidiary Loan and Grant Agreement (SLGA) with the Ministry of Finance on 18<sup>th</sup> January 2015.

Like other programs and projects of PKSF, all activities under the PACE project are being implemented across the country through its POs. Apart from providing financial services for microenterprises, the PACE is making sub-sector based value chain interventions and giving technological supports to various microenterprise activities. The project attempts transferring proven technologies from home and abroad to the potentials subsectors in Bangladesh for increasing their productivity.

The ongoing microenterprise program of PKSF called *Agrosor* Program is expanding very rapidly with the support of PACE project. The project is extending skill development training to the farmers and microentrepreneurs to enhance their efficiency in running their respective microenterprises. The members of existing microenterprise programs are receiving financial services and other technical and capacity building support with the project assistance. The target participants of the project include marginal and small 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 direct participants of this project but the most of the participants are women, as women represent 76% of the members of the *Agrosor* (microenterprise) program.

The project implementation period is six years (January 2015 to December 2020). PACE project completed its first two years of implementation on 31<sup>st</sup> December 2016. In the first two years, PACE made remarkable progress in implementing activities under its three components namely: i) financial services for microenterprises, ii) value chain development and iii) technology & product adaptation.

This half yearly report of the PACE project for the period from July to December 2016 has been prepared to highlight the progress of the implementation activities under its three

components against the predetermined targets. The report also depicts the cumulative achievements of the project in executing targeted activities during its first two years. The brief description of the project including project goal, objectives and activities is given in this report.

## 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 Objective:** The development objective is to increase sales and incomes from existing and new micro-enterprises and to create new wage employment opportunities for 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 project.

**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 & 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, Korean grant 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 for establishing an e-knowledge window, strengthening results-based monitoring and providing micro-entrepreneurs access to e-market services.

## 2.6 Logical Framework of PACE project

Design Summary	Performance targets and indicators	Monitoring Mechanism & Information Sources	Assumptions
<b>Project Goal</b> 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.	<ul style="list-style-type: none"> <li>• 60% households reporting improvements in household asset ownership index</li> <li>• 50% increase in income of 70% participating moderate and extreme poor households from farm, non-farm and service type businesses and wage employment</li> </ul>	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"> <li>• Economy maintains or increases growth rates</li> <li>• Terms of trade for rural communities shall not deteriorate</li> <li>• Price inflation for staple food (rice) remains below 10%.</li> <li>• Rural and peri-urban infrastructure improves</li> <li>• Prolonged political unrest does not hinder business and other economic activities</li> </ul>
<b>Development objective</b> Improve profitable business opportunities for microentrepreneurs and create wage employment for extreme and moderate poor people.	<ul style="list-style-type: none"> <li>• 70% microentrepreneurs increased sales by 50%</li> <li>• 13,000 fulltime equivalent wage employment created</li> </ul>	PACE project annual assessment report on business expansion and employment creation impact assessments PRA assessments	<ul style="list-style-type: none"> <li>• Government maintains pro-small business policies.</li> <li>• Government continues to support microfinance programs and NGO activities.</li> <li>• Prolonged political unrest does not adversely affects business and economic growth.</li> </ul>
<b>COMPONENT 1: Financial services for microenterprise</b>			
<b>Outcome 1:</b> Sustainable financial services for MEs (farm, off-farm, trading and service sectors) expanded.	<ul style="list-style-type: none"> <li>• PKSF's portfolio in ME program increases at least by Taka 3,200 million.</li> <li>• POs' portfolio in ME loan program increases by Taka 5,600 million.</li> </ul>	PKSF's program/financial reports POs program/financial reports PACE project report	<ul style="list-style-type: none"> <li>• Demand for microenterprise loan grows</li> <li>• POs remain institutionally and financially viable and offer competitive loan products.</li> <li>• No major external shocks such as major spread of disease.</li> </ul>
<b>Outputs:</b> 1. Expansion of on-going loan program for MEs in all sectors 2. Piloting of new loan products 3. Capacity building of PKSF and POs	<ul style="list-style-type: none"> <li>• Increase in number of ME borrowers by 102,000.</li> <li>• Cumulative loan disbursement to additional project borrowers Taka 61,200 million;</li> <li>• Number of new product piloted: 2-3;</li> <li>• 125 PKSF, 250 PO officers trained</li> </ul>	Reports from PKSF and POs Project MIS Independent assessment of microenterprise loan program and performance of pilot products Training assessment report	<ul style="list-style-type: none"> <li>• Portfolio quality of ME loan program of POs remains high (PAR &lt;5%)</li> <li>• Loan recovery rate of overall MF program and ME loan of POs remains high (&gt;95%)</li> <li>• HR capacity of POs for management of microfinance program enhanced</li> </ul>

Design Summary	Performance targets and indicators	Monitoring Mechanism & Information Sources	Assumptions
			<ul style="list-style-type: none"> <li>PKSF maintains its strong supervision of POs</li> </ul>
<b>COMPONENT 2: Value chain development</b>			
<b>Outcome 2:</b> 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.	<ul style="list-style-type: none"> <li>Taka 9000 million increase in cumulative sales of participating businesses (farm and non-farm sectors) in value chains</li> <li>50% of microenterprises (out of 300000 beneficiaries of value chain subprojects) operating 3 years after the support received from the project</li> </ul>	Impact assessment of value chains Project reports and MIS Impact assessment Case studies	<ul style="list-style-type: none"> <li>PKSF and POs remain committed to facilitating non-financial services along with providing financial services program to MEs</li> <li>PKSF and POs successfully establish collaborative business arrangements between MEs and mainstream businesses.</li> <li>No major external shocks such as disease</li> </ul>
<b>Outputs:</b> 1. MEs and agri-businesses sustainably included in agricultural value chains in various parts of the country 2. MEs sustainably included in value chain for non-farm manufacturing, processing and service products or group of products 3. Capacity of PKSF and POs enhanced to formulate and manage large scale value chain subprojects and identify opportunities	<ul style="list-style-type: none"> <li>10,000 acres of additional land brought under production of selected VCs, 50% increase in poultry birds and livestock</li> <li>VC development activities in 15 agricultural and non-farm subsectors</li> <li>5,000 agricultural and 2,500 non-farm MEs linked with larger firms as suppliers and contract growers</li> <li>200,000 agricultural and 50,000 non-farm microentrepreneurs trained</li> <li>200,000 MEs adopted new technologies</li> <li>10,000 Local service providers (farm and non-farm sectors) strengthened in each selected VC</li> <li>50 PKSF/GoB and 200 POs officials trained on VC project design and management</li> <li>80 PKSF/PO officials are trained on preventing environmental degradation</li> </ul>	Impact assessment of value chains Project reports and MIS Case studies	<ul style="list-style-type: none"> <li>PKSF establishes separate non-financial services division with competent human resources</li> <li>PKSF enhances overall capacity to manage value chain projects, supervise POs in these areas</li> <li>PKSF recruits adequate officers</li> <li>POs establishes separate non-financial services units and enhances capacity to manage value chain projects</li> <li>Facilitation of non-financial services become mainstream services of POs</li> <li>Private business companies are interested in sourcing products from microenterprises and willing to engage in partnership in the selected value chains</li> </ul>

Design Summary	Performance targets and indicators	Monitoring Mechanism & Information Sources	Assumptions
<p>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. E-knowledge window, strengthening results-based monitoring and providing micro-entrepreneurs access to e-market services</p>	<p>and improving conditions in work place</p> <ul style="list-style-type: none"> <li>• 5 policy papers written and submitted and 5 dialogue activities held</li> <li>• 100 PKSf, GOB and POs officials trained business/sector policy analysis and advocacy</li> <li>• An e-knowledge window established.</li> </ul> <p>Microentrepreneurs have access to e-market services</p>		
<b>COMPONENT 3: Technology and product adaptation</b>			
<p><b>Outcome 3:</b></p> <p>Proven technologies and products introduced to MEs.</p>	<p>10 technologies and products successfully introduced to small producers</p>	<p>Independent assessment reports</p> <p>PACE reports</p>	<p>PKSf and POs successful identify technologies and products for small producers within value chain subprojects and outside</p>
<p><b>Outputs:</b></p> <p>1. Resolution of technological problems 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"> <li>• 50,000 MEs/farmers are trained</li> <li>• 20 subsector, technical feasibility, impact assessment and other studies conducted</li> </ul>	<p>Independent assessment reports of technologies and product introduced</p> <p>PACE reports</p> <p>IFAD supervision reports</p> <p>Case studies</p>	<p>Successful identification of capable research stations within the country</p>

### **3. Component-wise Progress of the Project Activities**

#### **3.1 Component 1: Financial services for microenterprises:**

PKSF launched microenterprise program in 2001 as one of its main stream programs considering the growing needs of the progressive borrowers of other financial services program like *Jagoran* (Rural Microcredit, Urban Microcredit) programs. Since the inception of the Microenterprise (*Agrosor*) Program, PKSF has been providing financial services for the microentrepreneurs through its partner organization. In the beginning only progressive borrowers of other financial services programs used to receive loans under the microenterprise program. However, PKSF upgrades and updates its microenterprises loan policy time to time to address the demand of the entrepreneurs so that the poverty reduction process could be expedited. According to the latest version of the microenterprise loan policy, any entrepreneur who has an investment ranging from BDT 40,000 to BDT 1.5 million is considered eligible to borrow loan under this program. A micro-entrepreneur can borrow up to BDT 1.0 million as per the fund demand of his/her enterprise. Besides, there is a provision of providing working capital loans additionally to meet the seasonal demand of the businesses.

Financial services are being given to the microentrepreneurs to expand their existing microenterprises and undertake new enterprises under the component-1 of the project. The members of PKSF's ongoing microenterprise program are receiving loan under the financial support of IFAD. The POs of PKSF also contribute to a great extent in providing financial services for microenterprises.

As per the Project Design Report (PDR) of the project, the outcome of this component is sustainable financial services for microenterprises (farm, off-farm, trading and service sectors) expanded, while the outputs of the component are:

- a) Expansion of on-going loan program for microenterprise in all sectors (agriculture, off-farm, trading and services)
- b) Piloting of new loan products, e.g. start-up loan, lease financing, flexible repayment system (match with cash flow)
- c) Capacity building of the PKSF and its POs 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.

Project activities and targets under this component are:



- Reaching 102,000 microenterprise borrowers within first three years of the project, that is, by December 2017. The PKSf and its POs will mobilize an additional USD 50 million to finance this sub component. The entire IFAD loan amount is expected to be drawn down within the first three years and the PKSf/POs will continue refinancing these new 102,000 borrowers during the rest of the project period and beyond. This process will ensure exit of the IFAD and sustainability of the financial services provided from the beginning of the project.
- Piloting 2 to 3 new loan products to develop new loan products to meet emerging needs of microenterprises. The project budget allocated resources for feasibility studies as well as capital for lending. The POs will be the actual implementing organizations at the field level of this piloting within their ME clients.
- Training 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 of ME loan program. The training courses may be organized by the PKSf or outsourced from training providers such as business schools and qualified training institutions.

### 3.1.1 Progress of the Activities under Component-1

#### a) Financial Services:

The net disbursement target of the PKSf under this component is BDT 3200.0 million



(\*USD 40 million) in first three years of the project (2015-17). As per the project arrangements, 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 from the PKSf to its POs was BDT 600 million (USD 7.5.

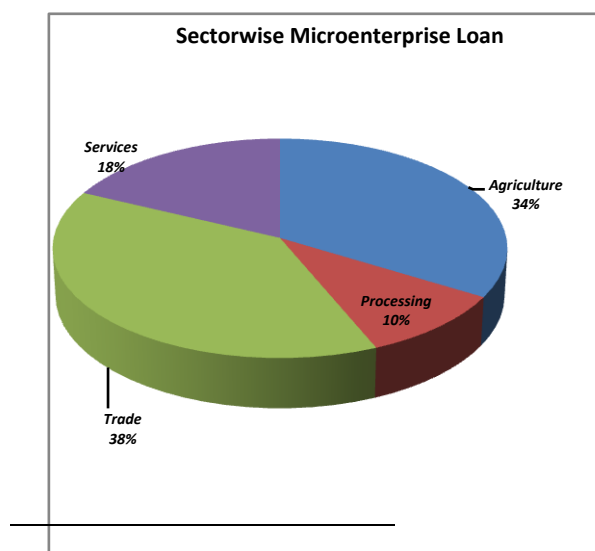
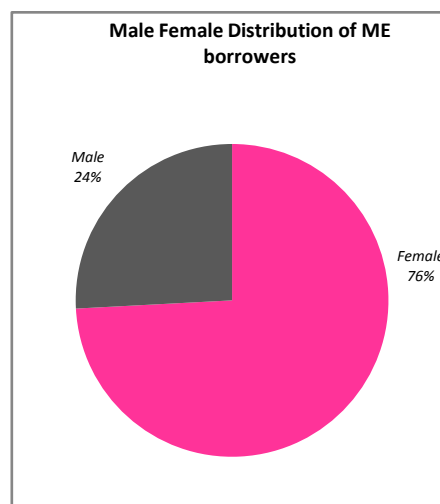
million<sup>1</sup>) for the financial year July 2016 to June 2017. According to the FY target, the target of net disbursement in the first six months should have been 50% of the financial year's target that is BDT 300 million (USD 3.75 million).

The project's actual net disbursement (net disbursement from PKSf to POs) during first half of the financial year 2016-17 was BDT 805.7 million (USD 10.07million). The achievement is 269% of the six months' target. The cumulative net disbursement of the microenterprise loan up to December 2016 is BDT 3032 million. The project achieved 95% of the project's total target of net loan disbursement within December 2016. The project will remarkably exceed disbursement by the stipulated period.

On the other hand, net disbursement of the POs to the borrowers was BDT 8,380.4 million (USD 104.75 million) during the reporting period July-December 2016. The cumulative net disbursement of the POs to the borrowers was BDT 27,894.11 million (around USD 348.67 million) with a current loan outstanding of BDT 58,137.2 million (which approximately USD 726.71 million).

Microentrepreneurs invest their loan money in different enterprises under agriculture, trade, processing and service sectors. The current average loan size of the borrowers is BDT 94,632. POs use their own fund generated from savings and credit programs in the microenterprise program in addition to the fund provided by PKSf.

Currently 178 POs out of 200 POs are implementing Microenterprise Loan program. The number of microentrepreneurs under the program was 10,78,401 as on 31December 2016. Among them, 24% was male and remaining 76% was female. A total of additional 430,525 microentrepreneurs have come under the ME program of PKSf since the launching of the project.



Sector wise microenterprise loan distribution is as follows; 38% of the borrowers used their loan money in trade, 34% of the borrowers invested loan in agricultural sector, 18% of the borrowers used their loan money in service sector and rest 10% of the borrowers invested their loan money in processing sector.

Information of financial services at a glance is given in the table below:

<b>PKSF to POs level</b>	<b>As on 31<sup>st</sup> December 2014</b>	<b>As on 30<sup>th</sup>June 2016</b>	<b>As on 31<sup>st</sup>December 2016</b>	<b>Increase/Decrease from June'16 to December'16</b>	<b>Increase/Decrease during the project period</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5 (4-3)</b>	<b>6 (4-2)</b>
No. of districts	64	64	64	0	0
No. of POs	163	172	178	6	15
Cumulative disbursement (BDT in million)	28,124.1	37,945.8	41,619.1	3,637.3	13,495.00
Cumulative recovery (BDT in million)	18,572.24	26,167.0	29,034.6	2,867.60	10,462.36
Outstanding loans with POs (BDT in million)	9,551.858	11,778.8	12,584.5	805.7	3,032.64
Cumulative Recovery Rate (CRR)	99.26%	99.57%	99.52%	-0.05%	0.26%
<b>POs to Field level:</b>					
No. of borrowers with current loan	647,876	966,140	10,78,401	112,261	430,525
Female	446,784	716,521	822,244	105,723	375,460
Male	201,092	249,619	256,157	6,538	55,065
Cumulative loan disbursement (BDT in million)	206,010.196	331,946.0	383,771.8	51,825.8	177,761.60
Cumulative recovery (BDT in million)	175,767.103	282,189.2	325,634.5	43,445.3	149,867.40
Outstanding with borrowers (BDT in million)	30243.093	49756.8	58,137.2	8,380.4	27,894.11
Average loan size in BDT	83496	87,961	94,632	6,671.0	11,136.00
Cumulative Recovery Rate (CRR)	99.30%	99.42%	99.57%	0.15%	0.00

- b) **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. The PACE has initiated a process to pilot two new loan products namely i) Start-up capital loan and ii) Lease Financing.

**Start-up capital:** PACE Project completed feasibility study on Start-up Capital in September 2016. The study assessed the demand for this financial service among the people who are technically skilled and willing to start new enterprises but cannot start business due to lack of capital. This study was conducted by a consultant. The feasibility recommended launching start-up capital loan for the promotion of microenterprises. Following the study PACE project took initiative to pilot this financial product through 10 selected POs. The piloting phase of the start-up capital loan will be launched by June 2017.

**Lease financing:** The feasibility study of lease financing was completed. The study assessed the demand for this financial service in entrepreneurs to purchase fixed assets and equipments for their businesses. The piloting of this product will be started by June 2017.

- c) **Capacity building of PKSf/POs to design and development of new financial products, monitoring, evaluation, impact assessment of ME program and application of information technology in management of POs:**

The project has a target to train a total of 50 PKSf officers and 125 officers of POs during the current financial year 2016-17 on Enterprise Management and Promotion of Private Business. The subject includes the topics like microenterprise management, marketing, new financial products development etc. Against this target, 25 officials of POs were trained during the first six months (July-December 2016) on the said subject. The resource persons from different specialized organization conducted the session of this training course. PACE will organize training courses for the remaining officials of PKSf and its POs in the second half of the financial year (January to June 2017).

Since project inception, as many as 25 officials of PKSf and 144 officials of different POs received training up to December 2016 on Enterprise Management and Promotion of Private Business against the total project target to train 375 officials of PKSf and its POs. Cumulative achievement 45%. PACE project has a plan to achieve the total project target by the end 2018.

### **3.2 Component 2: Value chain development**

Subsector based value chain intervention helps to great extent in promoting microenterprises. The component 2 of the PACE project has provision to undertake value chain interventions different farm and non-farm subsectors. PKSf gained valuable experiences in implementing value chain intervention through that project. Based on the previous experience, PKSf under the PACE project has been implementing value chain sub projects in comparatively large

scales. The subsectors that have potentials in increasing income of microentrepreneurs and creating employments are given priority in undertaking value chain interventions.

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 scale up business, production technologies and enhance access to markets.

The outputs of the value chain development component are to:

- a) Establish and expand value chains of 15 agricultural sub-sectors (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 sub-sectors (products or group of products) in various parts of the country.
- c) Strengthen capacity of the PKSf and its POs to manage large-scale value chain subprojects
- d) Enhance capacity of the PKSf and its POs to identify, advocate and strengthen pro-poor business policies, especially sector specific policies (i.e. through capacity building).

The main activities under the value chain development are to i) make Value Chain Development (VCD) interventions in 15 farm sub-sectors ii) make VCD interventions in 15 non-farm sub-sectors, iii) capacity building of the PKSf and its POs in design and management of large-scale VCD sub-projects and iv) capacity building of the PKSf and its POs in policy analysis and advocacy.

### **3.2.1 Progress of the implementation of activities under Component 2**

#### **Value chain development in farm sub-sectors:**

The PACE project set a target to take 23 value chain sub projects in farm sector for the financial year 2016-17. During the reporting period, PACE project took 03 value chain sub projects in 02 farm sub-sectors.

The sub-projects taken in this period are;

Buffalo rearing in improved management: This sub project is being implemented in southern Bhola district of the country. The sub project will cover 7000 members of that region. Considering the



potentials of the sub sector, PACE project approved this proposal of its partner organization, Grameen Jono Unnayan Sonstha (GJUS). The members of the project will receive various technical, technologies and marketing supports through this value chain sub project. The major activities of the sub project include organizing vaccination camp of buffalos,



establishing market linkages, providing artificial insemination, developing local milk market etc.

Two value chain sub-projects titled Increasing farmer's income through Mung bean production by using modern technology were taken during the reporting period. Two partner organizations of PKSF namely DAM Foundation for Economic Development (DFED) and Sangathita Grananunaon Karmasuchi (Sangram)

started implementation of these two sub projects in same subsector in two regions of the country. A total of 8300 project participants (3495 male and 4805 female) are being received technical trainings, technologies and marketing support under these two projects. The farmers of mung bean production and marketing value



chain projects have been linked with export market in Japan through a private sector company. It can be mentioned that, to develop mung bean subsector the PACE project organised 26,300 farmers in southern region of the country in 04 value chain sub-projects. The farmers are producing good quality mung bean as per the demand in Japanese market. By December 2016, the project started implementation of 14 sub projects in 08 farm sub sectors. The list value chain sub-projects is given in the table below.

Sl. No.	Name of VCD sub project	Implementing PO	Working Areas	Direct beneficiaries currently enrolled		Date of commencement	Duration of the Sub-project (years)	Major activities
				Male	Female			
1	Increase income and employment through Black Bengal goat rearing	Wave Foundation	Mherpur sadar, Gangni and Mujib nagar uapazila of Meherpur district	0	6,000	28/6/2015	04	<ol style="list-style-type: none"> <li>1. Create efficient livestock service provider (LSP).</li> <li>2. Arrange vaccination camp.</li> <li>3. Dissemination of perch system for goat rearing and establishment of buck service station.</li> <li>4. Establish linkages with input suppliers, service providers and market stakeholders.</li> <li>5. Provide technical training on good management practices.</li> <li>6. Introduce disease calendar and health management card with basic business information</li> </ol>
2	Increase income and employment of entrepreneurs through milking cow rearing in Char area	Society for Social Services (SSS)	Tangail sadar, Delduar, Vuapur, Nagarpur, Kalihati of Tangail district	0	5,000	6/7/2015	04	<ol style="list-style-type: none"> <li>1. Arrange vaccination and de-worming camp.</li> <li>2. Develop efficient local livestock service providers (LSP) through training.</li> <li>3. Develop local milk market.</li> <li>4. Establish linkages of targeted beneficiaries input suppliers, market stakeholders and other related service provider.</li> <li>5. Provide technical training on good management practices.</li> <li>6. Introduce disease calendar and health management card with basic business information</li> </ol>
3	Crab culture value chain development project	Nowabanki Gonomukhi Foundation	Shyamnagar, Kaliganj, Asasuni upazila of Satkhira and Paikgacha	5279	721	7/9/2015	03	<ol style="list-style-type: none"> <li>1. Train farmers on crab culture applying modern methods.</li> <li>2. Transfer technology of modern crab fattening and establish demo plots on crab culture.</li> <li>3. Establish information center for providing</li> </ol>

Sl. No.	Name of VCD sub project	Implementing PO	Working Areas	Direct beneficiaries currently enrolled		Date of commencement	Duration of the Sub-project (years)	Major activities
				Male	Female			
		n (NGF)	upazila of Khulna					information to the farmers. 4. Provide market development support for sustainable crab farming management 5. Introduce online based e-marketing for local and foreign market extensions.
4	Increase entrepreneur's income and employment creation through year round beef fattening and fatten cattle marketing	Eco-social Development Organization (ESDO)	Thakurgaon sadar, Ranisonkoil upazila of Thakurgaon district		4400	10/4/2016	03	1. Create trained and efficient livestock service provider (LSP) for primary veterinary service. 2. Disseminate urea molasses straw (UMS) technology for beef fattening. 3. Introducing cattle insurance. 4. Capacity development training for beef fattening 5. Establish market linkages among, balanced packaged feed supplier and vaccine/medicine supplier.
5	Improvement of natural fish breeding condition of Halda river	Integrated Development Foundation (IDF)	Raojan, Hathajari of Chittagong district	3225	234	10/04/2016	03	1. Arrange training for alternative sustainable income sources. 2. Awareness programme to maintain natural condition of Halda river. 3. To conduct training on improve carp culture technique. 4. Identify spawning zones of the river during period and provide assistance to protect the areas. 5. Modernization of the hatching in the ground well and setting demo-plots. 6. Extend use of bio pesticides for crop production in the adjacent areas of the Halda



Sl. No.	Name of VCD sub project	Implementing PO	Working Areas	Direct beneficiaries currently enrolled		Date of commencement	Duration of the Sub-project (years)	Major activities
				Male	Female			
								river.
6	Entrepreneurs creation and increase income through milking cow rearing	JAKAS Foundaion	Panchbibi, Gaibandha	2100	1400	19/4/2016	04	<ol style="list-style-type: none"> <li>1. Develop efficient local livestock service providers (LSP) through training.</li> <li>2. Arrange a vaccination and de-worming camp.</li> <li>3. Establish market linkages among AI worker, balanced packaged feed supplier and vaccine/medicine supplier and other service providers.</li> <li>4. Provide technical training to beneficiaries on milking cow management.</li> <li>5. Introduce livestock insurance</li> </ol>
7	Beef fattening value chain development project	MBSK	Danajpur sadar, Fulbari of Dinajpur district	25	2,225	19/04/2016	03	<ol style="list-style-type: none"> <li>1. Disseminate urea molasses straw (UMS) technology for beef fattening.</li> <li>2. Introduce livestock insurance.</li> <li>3. Arrange vaccination and de-worming campaign to reduce cattle mortality and improve productivity.</li> <li>4. Provide technical training on modern beef fattening system and its good management practices.</li> <li>5. Introduce disease calendar and health management card with basic business information</li> </ol>
8	Increase entrepreneur's income and employment creation through	Social Up-lifment society (SUS)	Savar, Dhamrai upazila of Dhaka district, Singair, Manikganj	765	1378	25/4/2016	03	<ol style="list-style-type: none"> <li>1. Develop efficient local livestock service providers (LSP) and Artificial Insemination (AI) workers through training.</li> <li>2. Establish a cow dung testing lab.</li> <li>3. Arrange vaccination and de-worming campaign</li> </ol>

Sl. No.	Name of VCD sub project	Implementing PO	Working Areas	Direct beneficiaries currently enrolled		Date of commencement	Duration of the Sub-project (years)	Major activities
				Male	Female			
	commercially hi-yielding milking cow rearing, increase milk production and milk marketing							to reduce cattle mortality and improve productivity. 4. Establish market linkages among AI worker, balanced packaged feed supplier and vaccine/medicine supplier. 5. Training for efficiency development on improved cow rearing management.
9	Increase farmer's income and employment creation through high production & proper marketing of Mung bean and aromatic rice production	Grameen JonoUnna yanSonstha (GJUS)	Bhola sadar, Doulatkhan, Borhanuddin, Lalmohon, Charfason of Bhola district	2463	5537	28/4/2016	03	1. Introducing high yielding Mung bean BARI-6 and aromatic rice(BRRI rice 34) variety. 2. Technology transfer of using inoculum fertilizer instead of chemical fertilizer. 3. Transfer technology of line sowing instead of broadcasting method. 4. Training to the farmers for farming Mung bean and aromatic rice and pest control. 5. Activities relating to market expansion of produced Mung bean and aromatic rice. 6. Establish linkage with export market in Japan through a private sector company.
10	Increase farmer's income and employment creation through Mung bean and Aman rice production by using improved	Rural Reconstruction Foundation (RRF)	Jessore sadar, Bagharpara, Manirampur Upazillaof jessore district Jhinaidaha Sadar, Kaliganj, kotchadpur, Maheshpur upazilla of Jhenaidaha district and Chuadanga Sadar,	8322	1678	5/5/2016	03	1. Introducing of high yielding Mung bean BARI-6 and aman rice. 2. Dissemination the knowledge of use of inoculum fertilizer. 3. Transfer technology of line sowing instead of broadcasting method 4. Training to the farmers for farming Mung bean and aman rice and pest control.

Sl. No.	Name of VCD sub project	Implementing PO	Working Areas	Direct beneficiaries currently enrolled		Date of commencement	Duration of the Sub-project (years)	Major activities
				Male	Female			
	technology		Jibannagar of Chuadanga sadar district and Magura Sadar upazilla of Maguar district					5. Establish linkage with export market in Japan through a private sector company.
11	Increasing farmer's income and livelihood through safe vegetable and Moringa production & marketing	Society for Development initiatives (SDI)	Dhamrai upazilla of Dhaka district	1538	462	26/6/2016	03	1. Provide training on pesticide free vegetable production. 2. Dissemination of modern technologies like sex pheromone trap, Brecon, Trikogama, Trikodrama etc. 3. Create linkage with market stakeholders. 4. Organize workshop for collaboration with Government and non –government organizations for marketing and use of pesticide. 5. Establish of herbal pesticide laboratory.
12	Buffalo rearing in improved management	GrameenJonoUnnay anSonstha (GJUS)	Bhola sadar, Doulatkhan, Borhanuddin, Lalmohan, Charfashion upazilla of Bholadistrict	7000	0	20/9/2016	03	1. Arrange vaccination and de-worming camp. 2. Develop efficient local livestock service providers (LSP) through training. 3. Introduce buffalo fattening technology 4. Artificial Insemination (AI) technology 5. Establish linkages between targeted beneficiaries with input suppliers, market stakeholders and other related service provider. 6. Provide technical training on good management practices. 7. Introduce disease calendar and health management card with basic business information

Sl. No.	Name of VCD sub project	Implementing PO	Working Areas	Direct beneficiaries currently enrolled		Date of commencement	Duration of the Sub-project (years)	Major activities
				Male	Female			
13	Increase farmer's income through Mung bean production by using modern technology	DAM Foundation for Economic Development (DFED)	Barguna sadar upazila of Barguna	1095	2405	1/11/2016	2 Years 8 months	<ol style="list-style-type: none"> <li>1. Introducing of high yielding Mung bean BARI-6 variety.</li> <li>2. Technology transfer of using innoculum fertilizer instead of chemical fertilizer.</li> <li>3. Transfer technology of line sowing instead of broadcasting method</li> <li>4. Train the farmers for farming Mung bean production.</li> <li>5. . Establish linkage with export market in Japan through a private sector company.</li> </ol>
14	Increase farmer's income through Mung bean production by using modern technology	Sangathita Grananuna onKarmas uchi (Sangram)	Patharghata, Bamna, Amtali, Betagi upazila of Barguna district	2400	2400	1/11/2016	2 Years 8 months	<ol style="list-style-type: none"> <li>1. Technology transfer of high yielding Mung bean BARI-6 cultivation.</li> <li>2. Technology transfer of using innoculum fertilizer instead of chemical fertilizer.</li> <li>3. Transfer technology of line sowing instead of broadcasting method</li> <li>4. Train the farmers for farming Mung bean production.</li> <li>5. Market expansion activities for Mung bean.</li> </ol>

## Value Chain Development in non-farm subsectors:

PACE project, in first half of the current financial year took 02 value chain sub projects in 02 non-farm subsectors against the target of taking 09 subprojects for the whole financial year 2016-17. These two sub projects are i) Imitation gold jewellery production and marketing and ii) Honey production processing and marketing value chain sub projects.

- i) Imitation jewelry value chain subproject was taken for the development of imitation gold jewelry sub-sector. Many craftsman and workers are engaged in this sub-sector in different regions of the country. A business cluster of imitation jewelry has been developed in Maheshpur upazila of Jhinaidah district. Considering the growth potentials of this nonfarm subsector of Jhinaidah a value chain subproject was



taken to develop this subsector. Under this sub-project, as many as 600 project participants (entrepreneurs and craftsman) are receiving various skill development training and technical supports. Marketing supports are also being provided to the enterprises involved in the subsector. Sishu Niloy foundation a partner organization of PKSf is implementing this three year value chain sub-project.

- ii) A value chain sub-project titled Honey production processing and marketing was taken during the reporting period to develop the honey processing sub-sector. A total of 4,314 honey producers are receiving technical supports, technologies and marketing support under this subproject. PKSf's partner organization, Bangladesh



Association for Social Advancement (BASA) is implementing this three years value chain sub-project in different upazilas of Tangail, Narayanganj, Sirajganj, Gazipur, Mymensing and Satkhira districts.

The PACE project is now implementing 5 VCD sub-projects in 5 non-farm subsectors. The list of the VCD sub-projects in non-farm sub-sectors is given below:

I. No.	Name of VCD sub project	Implementing PO	Working areas	Number of project participants		Date of commencement	Duration of the project (Years)	Major activities
				Male	Female			
1	Embroidery and dress making by women entrepreneurs	Ashrai	Tanor, Godagari, Mohanpur, Poba of Rajshahi and chapainababganj sadar of Chapainababganj district	0	3,000	18/10/2015	02	1. Hands on training for the entrepreneurs. 2. Establish linkages between entrepreneur and quality raw material suppliers. 3. Training on designing and dress making. 4. Establish market linkages both at regional and national level. 5. Advertisement, participate in trade fairs, display products in websites etc.
2	Establishment of crab hatchery	NowabenkiGonomukhi Foundation (NGF)	Shyamnagar of Satkhira district			14/3/2016	02	1. Establish a crab hatchery in Shymnagar, Satkhira for production of crablets. 2. Production of quality crablets in hatchery and supply to the farmers. 3. Organize technical training for the concerned staff and officials on Hatchery Management. 4. Develop Hatchery Management Manual and Nursery Management manual 5. Train microentrepreneurs on crablet nursery management
3	Increasing	People's Oriented Program		450	50	19/4/2016	02	1. Hands on training to the workers,

I. No.	Name of VCD sub project	Implementing PO	Working areas	Number of project participants		Date of commencement	Duration of the project (Years)	Major activities
				Male	Female			
	income of entrepreneurs and creating employment Small scale shoe industry development	Implementation (POPI)	Bhoirab of Kishoreganj district					designer, cutting master on producing export quality shoes. 2. Establish linkages between producers, quality raw material suppliers and buyers. 3. Training on design shoe making. 4. Take initiative for healthy work environment in the shoe factories.
4	Increasing income and creating employment through production and marketing of Imitation gold jewelleryes.	Sishu Niloy Foundation (SNF)	Maheshpur upazila of Jhinaidah district	281	319	28/7/2016	03	1. Provide technical training on imitation gold jewellery production techniques, designing, packaging and colouring 2. Workshop, meeting, seminar on market linkage of imitation gold jwellery 3.Introducing new types and design of imitation gold jewelleryes 4. Participate in local and national fare and festivals to demonstrate, sale and promote market linkage of imitation gold jewellery 5. Organize exchange visit to learn better production techniques.
5	Increasing income of honey producers through sustainable honey processing and marketing of	Bangladesh Association for Social Advancement (BASA)	Mirjapur, Shokhipur of Tangail district; Gajipur sadar of Gajipur;	3749	565	2/8/2016	03	1. Provide technical training on honey production, honey bee management, transportation, honey processing and marketing. 2. Provide training of honey crop producers on importance of apiculture near crop field. 3. Workshop, meeting, seminar on

I. No.	Name of VCD sub project	Implementing PO	Working areas	Number of project participants		Date of commencement	Duration of the project (Years)	Major activities
				Male	Female			
	honey based products		Shyamnagar of Satkhira district					market linkage 4. Organize exchange visit among honey producing microenterprises 5. Introduce and adapt flow-hive machine for honey extraction 6. Provide support to create queen bees to increase productivity.

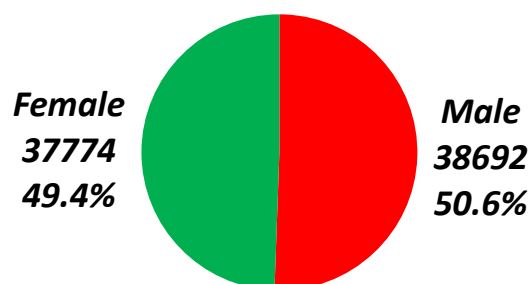


### Project participants in the VCD projects:

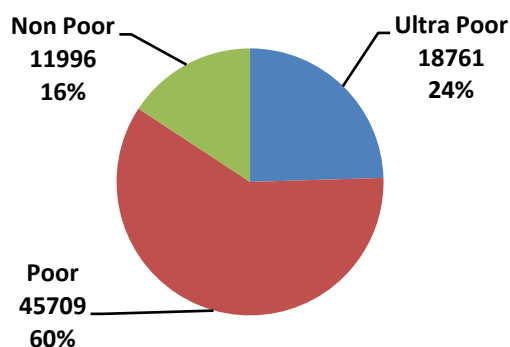
The number of beneficiaries in 19 VCDs projects was 76,466 as of 31 December, 2016. Number of male and female beneficiaries is 38,692 (50.6%) and 37,774 (49.4%) respectively.

According to the socio-economic class the division of beneficiaries are as Ultra Poor 18,761 (24%), Poor 45,709 (60%) and rest 11,996 (16%) are Non Poor. Among the beneficiaries 13,645 (18%) are aged under 25 and rest 62,821 (82%) are above 25.

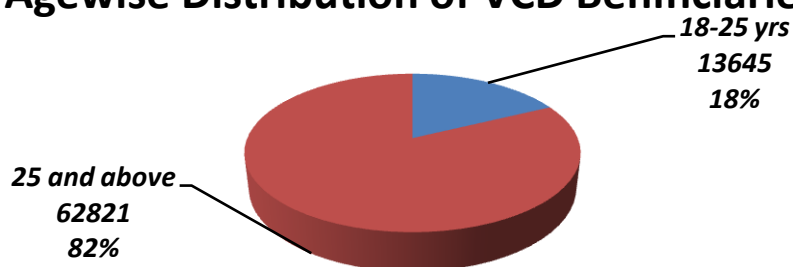
#### Value Chain Beneficiaries Male Female Distribution



#### Socio-economic classwise VCD beneficiaries



#### Agewise Distribution of VCD Beneficiaries



### **Dalima Begum is now a successful entrepreneur**

Daliman Begum, a 28 years old woman once lived in very hardship with her three kids, has now become a successful micro entrepreneur. She scaled up her small income generating activity to a microenterprise through her commitment and integrity. The financial services and technical assistance provided by the Society for Social Service (SSS), a partner organization (PO) of PKSf helped her to bring this fortune.

Daliman is a rural woman of a remote village of Tangail district. Her husband was a small farmer with a few small pieces of land. The earning from the land was not enough to maintain the family. She could not bear the expenditures of family due to lack of money. In that situation, SSS came to her life as a blessing.



It was 2012 when Daliman took her first loan from SSS and bought a calf. It was just the beginning of her story. She took loans from the same organization several times and gradually expanded milching cow rearing business.

With the financial support of the SSS' microenterprise program under PACE project, Daliman could make her dairy farm a bigger one. She also received technical support and technology of better dairy farm management through the organization through a VCD subproject which is being implemented under PACE project. Now she has 10 cattles including 5 cross breed cows. She gets 40-45 litres of milk per day that worth BDT 1,600. She sells the milk to the nearby market and producers of milk-product.

Daliman is receiving financial services under microenterprises program and technical and other assistances under a value chain subproject of the SSS financed under the PACE project simultaneously. Her capacity to use loan has been increased remarkably. She has already generated wage employment for two poor workers in her farm.

Through her dedicated effort, her family has turned into a happy family. Her husband also helps her in her business. She has a dream to expand her business further and to contribute to the family and the society in a contribution to the family and the society.

## **Rahima Begum won her fortune through goat rearing**

Rahima Begum of Meherpur was a rural housewife. As a day labourer, her husband, Azizul Haque's income was not sufficient to maintain their family. He tried to improve their family condition by going abroad to earn money working there. But ill-fated Azaizul Haque had to come back empty handed as he was cheated by the recruiting agent. Their hardship worsened further for this incident.



Finding no other way Rahima took goat rearing as her income generating activity. Her activity was started with help of her mother as she gave her a goat for rearing. Rahima enrolled herself in the financial services program of WAVE foundation. Her income generating activities started growing with the continuous support of the PKSf's partner organization WAVE Foundation. However she had to face many technical problems in goat rearing. WAVE Foundation came forward with technical and technological support to her under a value chain project funded by PACE project. She received training on rear goat following perch method which ensures better health of her goats. The financial service along with technical support helped her to improve her economic condition. She has now 28 goats in her farm that worth around BDT 2,20,000. Her income is increasing remarkably thank to the services provided by WAVE foundation under the PACE project financed by IFAD.

### **Training of PKSF/GoB and POs officials on value chain project design and management:**

-Against the AWPB 2016-17 target of providing training to 100 officials of PKSF and its POs on Value Chain Project Design and Management, no training was organized during the first half of the financial year. Considering the demand for the course PACE project is organizing courses on the topic gradually. In the first quarter (Jan-March) 50 officials of POs will receive this training and rest of the target will be attained in the next quarter (Apr-Jun).

The cumulative number of trained officials of PKSF and POs is 136 by December 2016 against the total project target of 250 officials. PACE will complete this training by the end of December 2018.



### **Training for PKSF/PO officials on preventing environmental degradation and improving conditions in work place:**

Considering importance of environmental risk management in microenterprise sector, PACE Project had included training courses on Environmental and Hazardous Workplace Management. The focus of the is to learn what and how to address core physical environmental and hazardous workplace with the microenterprise sector and value chain project. The broad issues covered in this training are a) industrial and agricultural environmental assessment with focus disposal of hazardous materials, b) mitigating hazards and issue of technologies and management systems to improve physical environment in microenterprises and firms, c) assessment of hazards in workplaces, d) mitigating measures to improve working conditions.

PACE project had a target to train 60 PKSF/PO officials in financial year 2016-17. During the reporting period that is first half of the financial year, no training course was organized on this target. The training courses on this subject will be organized in Jan-Jun period of the financial year.

Cumulative number of officials trained on this subject is 20 against the total project target to train 80 officials. The project will achieve this target by June 2017.

**Identify, advocate and strengthen pro-poor business policies, especially sector specific policies identify, advocate and strengthen pro-poor business policies, especially sector specific policies:**

PACE project selected three policy related issues for conducting studies on the basis of which policy paper and policy guidelines will be prepared. The issues are; i) Market orientation of agriculture and agri-business promotion through business cluster development, ii) Promotion of non-farm microenterprises through value chain development, iii) Guidelines for Management of Microenterprise Environmental Health and Safety Risks. The procurement process for these consulting works is under way.

**3.3 Component 3: Technology and product adaptation**

The PACE project is making attempts to solve technological problems in different potential economic sub-sectors under the component of technology and product adaptation. The project provides technological support to the microentrepreneurs engaged in various economic activities in different regions of the country.

The outcome of this component is proven technologies and products (agricultural and off-farm) from Bangladesh 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) addressing six technological problems; b) transferring 15 proven technologies/products to small producers, c) conducting 24 sub-sector and technical feasibility studies, 5 sector specific impact studies and d) organizing associated consulting services.

**3.3.1 Progress of the implementation of activities under Component:3**

During the reporting period (July to December 2016), the project started a process to transfer a agricultural technology of quadruple cropping to the farmers of Panchagarh and Thakurgaon, two northern district of Bangladesh. A total of 1,800 farmers are receiving this technology in 1.5 years. This quadruple cropping pattern technology will go a long way to increase productivity and income of the small and marginal farmers involved in the project. RDRS a PO of PKSf is implementing this technology transfer project.

PACE initiated process of transferring technology of carp and prawn mixed culture, modern fish dryer, hydroponic fodder cultivation, dragon fruit cultivation etc. Hopefully, process of transferring these technologies will be done by the second half of this financial year (Jan-Jun 2017).

Beside, PACE project has identified a number of technological problems while designing VCD sub projects on different sub sectors. The project is currently using 32 different technologies in different VCD sub projects. The list of currently used technologies in different VCD projects is given below:

Sl. No.	Technologies
1	Goat rearing through perch system
2	Urea molasses straw (UMS)
3	Scheduled vaccination and de-worming
4	Artificial insemination for buffalo and cattle
5	Prepare balanced feed
6	Increasing longevity of bamboo platform used in nursery
7	Mono culture crab farming
8	Mix culture crab farming
9	Provide commercial food in crab nursery
10	Fingerling culture technology of Halda river fish
11	Use of sex pheromone trap
12	Use of bio-pesticide
13	Use of inoculum fertilizer
14	Line sowing cultivation for Mung bean production
15	Introduce of aromatic rice seed BRRI-6 variety
16	Technology about Brady Rhizobium innoculum fertiliser
17	Crab hatchery technology (new technology in Bangladesh)
18	Different types of handicrafts design technology
19	Use of natural dying materials
20	High yielding green grass cultivation
21	Improved packaging of imitation gold jewellery for long lasting of color
22	Pollen trap to collect pollen from beehive
23	Comb foundation sheet
24	Flow hive machine to collect honey
25	Introduce buffalo fattening technology
26	Heat detector
27	Pregnancy test
28	Hydroponic fodder cultivation
29	Fish dryer for dry fish production
30	Vermi compost production in rack system
31	Technology of Dragon fruit and Barhi date cultivation
32	Ambient Cooling system

The following table shows the name of technologies introduced in ongoing VCD sub projects

<b>Sl. No.</b>	<b>Name of VCD sub project</b>	<b>Implementing POs</b>	<b>Sector</b>	<b>Technologies are being used</b>
1	Increase income and employment creation through Black Bengal goat rearing	Wave Foundation	Farm	1. Goat rearing through perch system. 2. Urea Molasses Straw (UMS). 3. Scheduled vaccination and de-worming. 4. Prepare balanced feed. 5. Introduce goat health card.
2	Increase income and employment creation of entrepreneurs through milking cow rearing in char area	Society for Social Services (SSS)	Farm	1. Artificial insemination (AI). 2. Urea Molasses Straw (UMS). 3. Prepare balanced feed. 4. Hi-yielding Napier fodder cultivation. 5. Introduce high protein based unconventional feed: Khesari & mati kalai pulse as a cattle feed. 6. Introduce cattle health card.
3	Crab culture value chain development project	Nowabenki Gonomukhi Foundation (NGF)	Farm	1. Mono culture crab farming. 2. Mix culture of crab and fish 3. Provide commercial food in crab nursery. 4. Soft shell crab production technology 5. Use of durable materials in farming.
4	Embroidery and dress making by women entrepreneurs	Ashrai	Off farm	1. Different types of handicrafts design technology like Jessore stitch, China rose, Dates leaves etc. 2. Use of natural dying materials.
5	Establishment of crab hatchery value	Noabenki Gonomukhi	Off farm	1. Crab hatchery management technology was transferred to

Sl. No.	Name of VCD sub project	Implementing POs	Sector	Technologies are being used
	chain development project	Foundation (NGF)		Bangladesh from Vietnam. The crab hatchery management technology includes: i) Crab mother selection and management ii) Feed management in the hatchery iii) Temperature control system by using thermostat iv) Water management (Sea water and sweet water)
6	Increase entrepreneur's income and employment creation through year round beef fattening and fatten cattle marketing	Eco-social Development Organization (ESDO)	Farm	1. Urea molasses straw (UMS). 2. Hi-yielding green grass cultivation. 3. Introduce beef cattle health card. 4. Waste management 5. Fodder cultivation
7	Improvement of natural fish breeding condition of Halda river	Integrated Development Foundation (IDF)	Farm	1. Fingerling culture technology of Halda river fishes. 2. Improved carp culture technology of Halda river fishes. 3. Using pheromon trap and biopesticide for safe vegetable production.
8	Entrepreneurs creation and increase income through milking cow rearing	JAKAS Foundation	Farm	1. Artificial insemination 2. Hi-yielding green grass cultivation. 3. Introduce Cattle health card 4. Feed management 5. Cowshed management 6. Use of lactometer to measure purity of milk
9	Beef fattening value chain development project	MBSK	Farm	1. Urea Molasses Straw (UMS). 2. Scheduled vaccination and de-worming. 3. Hi-yielding Napier fodder



Sl. No.	Name of VCD sub project	Implementing POs	Sector	Technologies are being used
				cultivation 4. Prepare balanced feed. 5. Introduce beef cattle health card.
10	Technical improvement, increase income and employment creation of small shoe industry entrepreneurs' value chain development project	People's Oriented Program Implementation (POPI)	Off farm	1. Introduce waste management 2. Use of modern equipments in production process
11	Increase entrepreneur's income and employment creation through commercially hi-yielding milking cow rearing, increase milk production and milk marketing	Social Upliftment society (SUS)	Farm	1. Artificial insemination (AI). 2. Scheduled vaccination and de-worming. 3. Veterinary laboratory 4. Feed management 5. Cattle health card
12	Increase farmer's income and employment creation through high production & proper marketing of Mung bean and aromatic rice production	Grameen Jono Unnayan Sonstha (GJUS)	Farm	1. Uses of new variety of Mung bean BARI-6. 2. Uses of aromatic rice seed BRRI-6. 3. Use of Brady Rhizobium inoculum fertilizer for MungbeanVCproject in the project area.
13	Increase farmer's income and employment creation through Mung bean and Aman rice production by using improved	Rural Reconstruction Foundation (RRF)	Farm	1. Use of inoculums fertilizer 2. Use of high yielding variety of Mung bean ( BARI-6). 3. Line sowing for cultivation of Mung bean 4. Pest management

Sl. No.	Name of VCD sub project	Implementing POs	Sector	Technologies are being used
	technology			
14	Increase farmer's income and livelihood through pesticide free vegetable and moringa production & marketing	Society for development initiatives (SDI)	Farm	1. Use of sex pheromone trap 2. Use of bio-pesticides ( Bracon, Tricogama, Tricodarma other natural pesticides) 3. Bio pesticides testing lab
15	Increase of income and create employment through imitation gold jewellery production and marketing	Sishu Niloy Foundation (SNF)	Off farm	1. Improved packaging of imitation gold jewellery for long lasting of color. 2. Product diversification.
16	Increase of income and create employment through production, marketing of imitation gold jewellery	Bangladesh Association for Social Advancement (BASA)	Off farm	1. Pollen trap to collect pollen from beehive 2. Comb foundation sheet 3. Flow hive machine to collect honey 4. Queen bee production techniques.
17	Buffalo rearing in improved management	Grameen Jono Unnayan Sonstha (GJUS)	Off farm	1. Artificial insemination (AI) technology 2. Buffalo Fattening technology 3. Urea Molasses Straw (UMS). 4. Prepare balanced feed. 5. Scheduled vaccination and de-worming. 6. Hi-yielding Napier fodder cultivation in coastal areas 7. Introduce beef cattle health card.
18	Increase farmer's income through Mung bean production by using modern	DAM Foundation for Economic Development (DFED)	Farm	1. Use of inoculums fertilizer 2. Use of high yielding variety of Mung bean ( BARI-6). 3. Line sowing for

Sl. No.	Name of VCD sub project	Implementing POs	Sector	Technologies are being used
	technology			cultivation of Mung bean 4. Pest management
19	Increase farmer's income through Mung bean production by using modern technology	Sangram	Farm	1. Use of inoculums fertilizer 2. Use of high yielding variety of Mung bean ( BARI-6). 3. Line sowing for cultivation of Mung bean 4. Pest management for cultivation of Mung bean

### Signing MoUs with specialised organizations of Bangladesh:

The PKSF has signed MoUs with different specialised technical organizations to extend technical assistance to the entrepreneurs involved in various sub-sectors. Some notable organizations are: Bangladesh Agricultural Research Institution (BARI), Bangladesh Shrimp and Fish Foundation (BSFF), Practical Action Bangladesh, Bangladesh Agricultural University (BAU), Institution of Diploma Engineers, Bangladesh (IDEB), Agricultural Value Chains (AVC) project and GrameenYukiguniMaitake Ltd. (GYM).

### Technology transfer from other countries to Bangladesh:

Crab hatchery technology was transferred to Bangladesh from Vietnam, following a positive recommendation of a feasibility study conducted by Vietnamese experts. The hatchery was established in Shymnagar of southern coastal district Satkhira and it is now fully operational. The hatchery has the capacity of producing 4.0 million crablets per year. This crab hatchery will have far reaching impact in the expansion of crab culture sector, a potential export oriented sector of the country.



Honourable Chairman of PKSF's Governing body Dr. Qazi kholiquzzaman Ahmed inaugurated the production of the crablets in experimental phase of the hatchery by releasing crablets into a nursery pond on 27<sup>th</sup> August 2016. The hatchery is going to start its regular production in January 2017.

Besides, PACE project is now contemplating of bringing technologies of barhee dates cultivation, Isobgul production from other countries for the benefit of the country's small farmers and microentrepreneurs.

Subsector studies and technical studies are being conducted under the project to identify constraints and possible solution to the constraints identified in any potential economic subsectors. A subsector study on medicinal plant has been completed in September 2016. Besides, following six studies are now under way.

- i) Study on Physico-Chemical parameters and plankton population of Halda river
- ii) Study on export potential and alternative use of seaweed
- iii) Study on demand for common services of micro shoe enterprise cluster in Bhairab, Kishorganj
- iv) Determination on reducing production cycle and increasing productivity of Jamdani Sarees in Bangladesh
- v) Feasibility and cost benefit analysis on small scale honey processing plant installation in different parts of Bangladesh
- vi) A study on free ranch management system of Char land buffalo rearing

## 4. Project Management:

**4.1 Project staffing:** A Project management unit (PMU) established in PKSf Building is now fully equipped with required project officials and staff. Currently 25 project officials under the supervision of the Project Coordinator are performing their assigned responsibilities to attain the project goal and objectives.

The list of staff of the PACE project is given below:

Sl no.	Name	Designation
1	Mr. Akond Md. Rafiqul Islam	Project Coordinator, PACE Project & General Manager (Program), PKSf
2	Mr. Gokul Chandra Biswas	Chief of Microenterprise Program & AGM(Program), PKSf
3	Mr. Md. Habibur Rahman	Value chain supervisor, PACE Project & Manager (Program), PKSf
4	Mr. Md. Manir Hossain	Value chain project Manager, PACE Project & Manager (Program), PKSf
5	Mr. Musharraf Hossain	Value chain Supervisor, PACE Project & Manager (Program), PKSf
6	Ms. Mahmuda Morshed	Value chain Project Manager, PACE Project & Deputy Manager (Program), PKSf
7	Mr. Moznu Sarkar	VC Project Manager, PACE Project & Assistant Manager(Program), PKSf
8	Mr. MD. Mahamudur Rahman	Assistant Manager, Technology and product adaptation, PACE & Assistant Manager(Program), PKSf
9	Mr. Kazi Abul Hasnat	Value Chain Manager, PACE project & Assistant Manager(Program), PKSf
10	Dr. S. M. Faruk-Ul-Alam	Value chain specialist, PACE Project (farm sector)
11	Mr. Md. Rafizul Islam Mondol	Value Chain Specialist, PACE Project (non-farm)
12	Mr. S M Niaz Ahmed	Value Chain Specialist, PACE Project (non-farm)
13	Mr. Md. Mohidul Islam	Financial Analyst, PACE Project
14	Mr. A B M Al Jaber Hirok	Procurement Specialist, PACE Project
15	Mr. Mohammad Mizanur Rahman	M&E and KM Specialist
16	Mr. Md. Zahed Al Nayon	Assistant Manager (New Product Piloting)
17	Mr. Shaikh Nazrul Islam	Value chain Project Manager, PACE Project
18	MS. Shanchita Islam	Value chain Project Manager, PACE Project
19	Mr. Md. Masum Sharkar	Value chain Project Manager, PACE Project

20	Mr. Md. Motiur Rahman	Value chain Project Manager, PACE Project
21	Mr. Al Imran	Value chain Project Manager, PACE Project
22	Mr. Md. Earfan Ali	Value chain Project Manager, PACE Project
23	Mr. H M Anowarul Islam	Accounts Officer, PACE Project
24	Mr. Abu Saleh Mohammad Rajib	Accounts Officer, PACE Project
25	Mr. Zahirul Hoque	Driver, PACE Project
26	Mr. Md. Hasan	Driver, PACE Project

The Project Management Unit (PMU) has prepared all necessary work plan and strategies to implement the project smoothly. It regularly prepares AWPB, PP, Half yearly and Annual Progress Reports. The M&E system of the project has been designed in a way so that it can generate all required reports and statement to provide all information according to the logframe indicators of the project. Formats and forms to collect field information have been redesigned according to the requirements of the project. The field level project monitoring is being done on regular basis through field visits and offsite monitoring system. The progress of activities and events organized under the project are published regularly in newsletters, annual reports and website of PKSf regularly. High officials of PKSf also visit project areas to observe the project performance. The PMU has initiated the process of conducting its Mid-term Impact Study. This study will be completed before the mid-term review of the project by IFAD. News of the events organized under the project and the progress of the project implementation are being published in PKSf's newsletter and websites on a regular basis.

## 5. Progress of the project as per logframe indicators:

### Component 1: Financial Services for Microenterprises

Design Summary	Performance targets and indicators	Achievements up to December 2016
<b>Outcome 1:</b> Sustainable financial services for MEs (farm, off-farm, trading and service sectors) expanded.	<ul style="list-style-type: none"> <li>• PKSf's portfolio in ME program increases at least by Taka 3,200 million.</li> <li>• POs' portfolio in ME loan program increases by Taka 5,600 million.</li> <li>• 5% of POs offering the new products 12 months after the first introduction by PKSf</li> <li>• 5% percent of a POs' portfolio consists of the new loan products 2 years after the first introduction by the PO.</li> </ul>	<ul style="list-style-type: none"> <li>• PKSf's portfolio in ME program has increased up to Taka 3032.64 million. (95% achievement)</li> <li>• POs' portfolio in ME loan program has increased by Taka 27,894 million. (498% achievement)</li> <li>• --</li> <li>• --</li> </ul>
<b>Outputs:</b>  1. Expansion of on-going loan program for MEs in all sectors 2. Piloting of new loan products 3. Capacity building of PKSf and POs	<ul style="list-style-type: none"> <li>• Increase in number of ME borrowers by 102,000.</li> <li>• Cumulative loan disbursement to additional project borrowers Taka 61,200 million;</li> <li>• Number of new product piloted: 2-3;</li> <li>• 125 PKSf, 250 PO officers trained</li> </ul>	<ul style="list-style-type: none"> <li>• Increased in number of ME borrowers by 430,525</li> <li>• Cumulative loan disbursement to additional project borrowers has achieved Taka 177,761 million</li> <li>• --</li> <li>• 25 PKSf, 144 PO officers trained</li> </ul>

## Component-2: Value chain development

Design Summary	Performance targets and indicators	Achievements up to December 2016
<b>Outcome2:</b> 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.	<ul style="list-style-type: none"> <li>• Taka 9000 million increase in cumulative sales of participating businesses (farm and non-farm sectors) in value chains</li> <li>• 50% of microenterprises (out of 300000 beneficiaries of value chain subprojects) operating 3 years after the support received from the project</li> </ul>	<p>This information will be available from impact studies.</p>
<b>Outputs:</b> 1. MEs and agri-businesses sustainably included in agricultural value chains in various parts of the country 2. MEs sustainably included in value chain for non-farm manufacturing, processing and service products or group of products 3. 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 4. Capacity of PKSf, POs and microenterprises to identify, advocate and strengthen pro-poor business policies, especially sector specific policies, enhanced	<ul style="list-style-type: none"> <li>• 10,000 acres of additional land brought under production of selected VCs, 50% increase in poultry birds and livestock of beneficiaries of VCD subprojects</li> <li>• VC development activities in 15 agricultural and non-farm subsectors</li> <li>• 5,000 agricultural and 2,500 non-farm MEs linked with larger firms as suppliers and contract growers</li> <li>• 200,000 agricultural and 50,000 non-farm microentrepreneurs trained</li> <li>• 200,000 MEs adopted new technologies</li> <li>• 10,000 Local service providers (farm and non-farm sectors) strengthened in VCs</li> <li>• 50 PKSf/GoB and 200 POs officials trained on VC project design and management</li> <li>• 80 PKSf/PO officials are trained on preventing environmental degradation and improving conditions in work place</li> <li>• 5 policy papers written and submitted and 5 dialogue activities held</li> <li>• 100 PKSf, GOB and POs officials trained business/sector policy analysis and advocacy</li> </ul>	<ul style="list-style-type: none"> <li>• 1095 acres of additional land brought under production of selected VCD sub-projects. 20% livestock has increased</li> <li>• 14 VCD sub-projects have been taken in 8 sub-sector</li> <li>• 1492 agricultural and 72 non-farm MEs have been linked with larger firms as suppliers and contract growers</li> <li>• 20,227 agricultural and 916 non-farm MEs have trained</li> <li>• 20,227 MEs have adopted project recommended technology</li> <li>• 375 local service providers have been strengthened</li> <li>• 136 PKSf/POs officials have been trained in VC project design and management</li> <li>• 20 PKSf officials have been trained on preventing environmental degradation and improving conditions in work place</li> <li>• Not yet achieved</li> <li>• Not yet achieved</li> </ul>

### Component 3: Technology and Product Adaptation

Design summary	Performance targets and indicators	Achievements
<b>Outcome-3:</b> Proven technologies and products introduced by MEs	Transfer of 10 proven Technologies and products successfully to Small Producers.	
<b>Outputs:</b> 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"> <li>• 50000 MEs/farmers are trained</li> <li>• 20 subsector technical feasibility, impact and other studies conducted</li> </ul>	<ul style="list-style-type: none"> <li>• 22027 MEs/farmers are trained (including 20,227 farmers trained under VC sub-projects)</li> <li>• 1 subsector study has been completed and 13 studies is underway</li> </ul>



## 6. Financial progress of the project:

Amount in Thousand BDT  
(USD1=BDT 80)

	<b>Budget</b>					<b>Expenditure</b>					<b>Burning Ratio</b>		
<b>Components</b>	<b>Total Project Budget for 2015-2020</b>	<b>Total Project Budget for 2015-2020 inUSD</b>	<b>Total Project Budget uptoDec'16</b>	<b>Total Project Budget uptoDec'16 inUSD</b>	<b>Total project Budget Jul'16-Dec'16 (50% of total budget of 2016-17)</b>	<b>Total project Budget Jul'16-Dec'16 (50% of total budget of 2016-17)inUSD</b>	<b>Total expenditure Jul'16-Dec'16</b>	<b>Total expenditure Jul'16-Dec'16inUSD</b>	<b>Total Expenditure upto Dec'16</b>	<b>Total Expenditure upto Dec'16inUSD</b>	<b>% of project fund for Jul'16 - Dec'16</b>	<b>% of project fund upto Dec'16</b>	<b>% of total project fund</b>
<b>Component - 1: Financial Services for Microenterprises</b>	5,644,750.0	70,559.38	4395380	54,942.25	317275	3,965.94	8381290	104,766.13	27896790	348,709.88	2642%	635%	494%
<b>Component - 2: Value Chain Development</b>	1,180,675.0	14,758.44	416133	5,201.66	114829	1,435.36	32401	405.01	87921	1,099.01	28%	21%	7%
<b>Component -3: Technology and Product Adaptation</b>	65,175.00	814.69	54346	679.33	18423	230.29	915	11.44	3958	49.48	5%	7%	6%
<b>Component -4: Project Management</b>	366,961.00	4,587.01	144882	1,811.03	28532	356.65	24,148.00	301.85	102,163.00	1,277.04	85%	71%	28%
<b>Total</b>	<b>7,257,561.00</b>	<b>90,719.51</b>	<b>5010741</b>	<b>62634.2625</b>	<b>479059</b>	<b>5988.2375</b>	<b>8438754</b>	<b>105484.425</b>	<b>28090832</b>	<b>351135.4</b>	<b>1762%</b>	<b>561%</b>	<b>561%</b>
<b>Physical and price contingencies</b>	170599.00												
<b>Grand Total</b>	<b>7,428,160.00</b>	<b>90719.5125</b>	<b>5010741</b>	<b>62634.2625</b>	<b>479059</b>	<b>5988.2375</b>	<b>8438754</b>	<b>105484.425</b>	<b>28090832</b>	<b>351135.4</b>	<b>1762%</b>	<b>561%</b>	<b>561%</b>

## **7. Conclusion:**

PACE Project has gained momentum in implementing all its activities in its three inter related components. In the first two years its progress is remarkable. The project has already exceeded its target of net disbursement. The microenterprise program of PKSf has been expanded rapidly. The program covered 10,78,401 microentrepreneurs with a loan outstanding of BDT 58137.2 million (USD 726.72 million)

The progress of implementing value chain interventions and technology transfer is quite satisfactory. A total of 19 VCD sub-projects (14 subprojects in 8 farm subsectors and 5 sub-projects in 5 non-farm sub-sectors) covering 76,466 members are being implemented in different regions of the country.

Project participants of VCD sub-projects started seeing the positive changes in their enterprises. Through technical and technological supports of VCD projects, productivity and income of microentrepreneurs/small farmers and workforce engaged in the enterprises are being increased. PACE project has made attempts to establish sustainable market linkages of the farmers and entrepreneurs in home and abroad. A good number of farmers have been linked with the export market in Japan to export quality mung bean to be produced by them. This linkage has been established through a private sector company. However, analysing any potential subsector and determining possible sustainable solutions require special knowledge and expertise in the respective areas.

Transfer of crab hatchery technology to Bangladesh from Vietnam under component III of PACE project created opportunities for thousand of crab farmers to expand their activities. This is the first ever crab hatchery of the country. Identifying technological problem in any subsector and transferring process of technology require technical knowledge and expertise. There is scope to enhance the capacity of PKSf and its POs in the field of value chain development and technology transfer.

The PACE project is playing an important role in poverty reduction by providing various technical services in combination with financial services. PACE project is following suggestions/agreed actions of the mission to improve its performance. The project will go a long way in increasing productivity of the country's microenterprise sector. Marketing and creating brand image of the products of microenterprises is critical issue in expanding the sector. More emphasis could be given in this area for the betterment of this sector.

PACE project is providing training and other supports to the partner organizations to enhance their capacity in implementing this type of multi dimensional project. With the capacity building support of the project, capacity of partner organization has been enhanced significantly in designing and managing value chain development projects and technology transfer related activities. However there is scope to enhance capacity of the partner organizations (POs). Since, PKSf implements all its projects through its POs, success of any project mostly depends on the capacity of them. In this regard more emphasis should be given on institutional capacity building of the partner organizations (POs).

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
<b>Component 1: Financial services for micro enterprises</b>												
<b>Outcome 1:</b> Sustainable financial services for microenterprises (farm, off-farm, trading and service sectors) expanded.		PKSF's portfolio in microenterprise program increases (baseline: Taka 9551.858 million as of December 2014).	By 2020: at least by Taka 3200 million	492.000	805.700	3032.64	94.77%					
		Overall, POs' portfolio in ME loan program increases (baseline: Taka 30243.09 million as of December 2014).	By 2020: Taka 5600 million	N/A	8380.400	27894.11	498.11%					
1.1 Expansion of on-going loan program for microenterprises in all sectors (agriculture, off-farm, trading and services)		a) Increase in number of microenterprise borrowers (Baseline: 647876 as of December 2014).	102000 microenterprise borrowers	50000	112261	430525	422.08%					
		b) Cumulative loan disbursement to additional project borrowers.	Taka 61200 million	N/A	51825.800	177761.6	290.46%					
	II	c) Incremental ME Loan outstanding.	Taka 5600 million	600.000	8380.400	27894.11	498.11%	5607.000	600	8380.400	27894.11	<b>497%</b>

<b>Progress of AWPB implementation</b>												
<b>Description of activities</b>	<b>Loan Category</b>	<b>Logframe indicators</b>	<b>Project total (2015-2020)</b>	<b>Planned for FY: 2016-17</b>	<b>Achievement (July-Dec16)</b>	<b>Achieved Cumulative (Jan'15-Dec'16)</b>	<b>% achieved of the total project</b>	<b>Budget Project Total</b>	<b>Budget for FY: 2016-17</b>	<b>Actual Expenditure (July-Dec 16)</b>	<b>Actual cumulative expenditure up to Dec 2016</b>	<b>Cumulative achievement of Project total target (%)</b>
1.2 Piloting of new loan products, e.g. start-up loan, lease financing, flexible repayment system (match with cash flow) etc	III	a) Number of new product studies.	2-3 new product	2	2	2	100.00 %	1.000	1.0	0.774	0.774	77%
		b) Number of clients under new products.	200 clients	200	0	0	0.00%	0.000	0.0			
Capital funds for new loan products	II	amount disbursed**						30.000	30.0		0	0%
VAT on Studies	II	amount disbursed **						0.150	0.15	0.116	0.116	77%
1.3 Capacity building of PKSF and POs in ME Management	III	a) PKSF officers trained on enterprise management and promotion of private businesses	125 PKSF Officers	50	0	25	20.00%	2.000	0.80	0	0.40	20%
	III	b) POs officers trained on enterprise management and promotion of private businesses	250 POs Officers	125	25	144	57.60%	4.000	1.70		1.46	37%

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
1.4 Capacity building of beneficiary MEs in ME Management	III	a) Beneficiary ME borrowers are technically trained on effective ME Management	3,000	800	0	0	0.00%		0.80			
ME program review workshops	III	no. of workshops organized **	6	1	0	2	33.33%	0.600	0.10		0.037639	6%
<b>Total of component- 1</b>								<b>5644.750</b>	<b>634.55</b>	<b>8381.290</b>	<b>27896.79</b>	<b>494%</b>
<b>Component 2: Value Chain Development</b>												
<b>Outcome2:</b> 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		By 2020: Increase in cumulative sales of participating businesses (farm and non-farm sectors) in value chains No. of microenterprises operating 3 years after the support received from the project	By 2020: Taka 9000 million	Too early								

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
access to markets.												
<b>OUTPUTS:</b>		<b>By 2020:</b>	<b>By 2020:</b>									
2.1 Microenterprises and agri-businesses run by the poor/ultra-poor sustainably included in value chains for		a) Additional land brought under production of selected products or group of products, and increase in poultry birds and livestock in case of poultry and livestock sector	a) 10,000 acres of additional land and 50% increase in poultry birds and livestock	1731	1095	<b>1095</b>	10.95%					

<b>Progress of AWPB implementation</b>												
<b>Description of activities</b>	<b>Loan Category</b>	<b>Logframe indicators</b>	<b>Project total (2015-2020)</b>	<b>Planned for FY: 2016-17</b>	<b>Achievement (July-Dec16)</b>	<b>Achieved Cumulative (Jan'15-Dec'16)</b>	<b>% achieved of the total project</b>	<b>Budget Project Total</b>	<b>Budget for FY: 2016-17</b>	<b>Actual Expenditure (July-Dec 16)</b>	<b>Actual cumulative expenditure up to Dec 2016</b>	<b>Cumulative achievement of Project total target (%)</b>
agricultural products or group of similar products in various parts of the country	III	b) Value chain development activities are implemented in agricultural subsectors involving input suppliers, producers, traders, (in some cases processors, retailers, exporters) and service providers	b) 15 in agricultural subsectors	23 sub-projects	2	14 sub-projects in 08 sub-sectors	53.33%	730.0	166.03	31.04	72.75	10%
		c) Microenterprises are linked with larger firms as suppliers and contract growers	c) 5,000 microenterprises	2524	1492	1492	29.84%					
		d) Microentrepreneurs trained in management, marketing and market intelligence	d) 200,000 microentrepreneurs	28300	25526	25526	12.76%					
		e) Microenterprises adopted project recommended technologies	e) 200,000 microenterprises	25100	20227	20227	10.11%					

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
2.2 Microenterprises sustainably included in value chain for non-farm manufacturing, processing and service products or group of products	III	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	a) 15 in non-farm subsectors	9 sub-projects	2	5 sub-projects in 5 sub-sectors	33.33%	355.00	47.2	1.36	4.74	1%
		b) Microentrepreneurs are trained in marketing, production and management issues.	b) 50,000 microentrepreneurs	3800	916	916	1.83%					
		c) Persons (workforce) trained in various skills to produce selected products or group of products	c) 25,000 persons (workforce)	940	116	116	0.46%					
		d) Microenterprises are linked with larger firms as suppliers and sub-contractors	d) 2,500 microenterprises	1100	72	72	2.88%					



Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
		e) Local service providers (farm and non-farm sectors) strengthened in each selected VC to ensure the sustainable support to microenterprises and businesses run by the poor/ultra-poor	e) 10,000 Local service providers (farm and non-farm sectors)	678	375	375	3.75%					
2.3 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	III	a) PKSf/GoB and POs officials trained on VC project design and management	a) 50 PKSf/GoB and 200 POs officials	100	0	136	54.40%	4.0	1.60		1.25	31%
	III	b) PKSf/GOB/POs officials are given overseas exposure visits on value chain development projects, technologies and management systems for dissemination in Bangladesh	b) 80 PKSf/GOB/POs officials	30	0	34	42.50%	24.0	9.0		8.63	36%
	III	c) PKSf/PO officials are trained on preventing environmental degradation and	c) 80 PKSf/PO officials	60	0	20	25.00%	1.60	1.20		0.16	10%

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
		improving conditions in work place										
2.4 Capacity of PKSf, POs and microenterprises to identify, advocate and strengthen pro-poor business policies, especially sector specific policies, enhanced	III	a) Policy issues identified, policy papers written and submitted to relevant authorities	a) 5 policy issues and policy papers	3	0	0	0.00%	2.5	1.5		0	0%
	III	b) Policy dialogue among national stakeholders is promoted (e.g. seminars)	b) 5 policy dialogue	3	0	0	0.00%	0.50	0.30			
	III	c) PKSf, GOB and POs officials trained business/sector policy analysis and advocacy	c) 100 PKSf, GOB and POs officials	100	0	0	0.00%	2.0	2.0			
	III	d) Microenterprises are supported to enable them to participate in policy dialogue	d) 1,000 Microenterprises	0	0	0	0.00%					

<b>Progress of AWPB implementation</b>												
<b>Description of activities</b>	<b>Loan Category</b>	<b>Logframe indicators</b>	<b>Project total (2015-2020)</b>	<b>Planned for FY: 2016-17</b>	<b>Achievement (July-Dec16)</b>	<b>Achieved Cumulative (Jan'15-Dec'16)</b>	<b>% achieved of the total project</b>	<b>Budget Project Total</b>	<b>Budget for FY: 2016-17</b>	<b>Actual Expenditure (July-Dec 16)</b>	<b>Actual cumulative expenditure up to Dec 2016</b>	<b>Cumulative achievement of Project total target (%)</b>
2.5 An electronic platform established to disseminate commodity prices and to transact products of small producers	III	Technologically functional and sustainable electronic platform established	One technologically functional and sustainable electronic platform established					28.8	0.0			
Regional VCD workshops	III	no. of workshops organized **	20	8	3	11	55.00%	1.0	0.40		0.31	<b>31%</b>
Annual review workshops of VCD projects	III	no. of review workshops organized **	6	1	0	2	33.33%	0.90	0.15		0.07	<b>8%</b>
VAT on item 2 preparation of policy papers								0.375	0.278		0	<b>0%</b>
Unallocated								30.0			0	<b>0%</b>
<b>Total of component- 2</b>								<b>1180.675</b>	<b>229.658</b>	<b>32.401</b>	<b>87.921</b>	<b>7%</b>
<b>Component 3: Technology and product adaptation</b>												

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
<b>Outcome 3:</b> Proven technologies and products (agricultural and off-farm) from Bangladeshi and international sources introduced to microentrepreneurs.		Technologies and products successfully introduced to small producers	By 2020: 10 technologies and products	5								
<b>OUTPUTS:</b>		<b>By 2020:</b>	<b>By 2020:</b>									
3.1 Resolution of technological problems identified under Component 2	III	a) Problems identified, research conducted and solutions disseminated	a) 6 problems	4	0	5 (studies were conducted according to the suggestion of PACE preparation mission prior to inception of the project)		6.000	4.30			
	III	b) Seminars organized	b) 6 seminars	4	0	0						

Progress of AWPB implementation												
Description of activities	Loan Category	Logframe indicators	Project total (2015-2020)	Planned for FY: 2016-17	Achievement (July-Dec16)	Achieved Cumulative (Jan'15-Dec'16)	% achieved of the total project	Budget Project Total	Budget for FY: 2016-17	Actual Expenditure (July-Dec 16)	Actual cumulative expenditure up to Dec 2016	Cumulative achievement of Project total target (%)
3.2 Adaptation and dissemination of readily available technologies and products	III	a) Agricultural products and technologies identified, adaptive research conducted and introduced to small producers;	a) 15 agricultural products and technologies	10	1	0	6.67%					
	III	b) Microentrepreneurs/farmers are trained on production technologies	b) 50,000 microentrepreneurs/farmers	15000		0						
	III	c) Off-farm products and technologies identified, adaptive research conducted and introduced to small producers	c) 5 off-farm products and technologies	2	0	1	20.00%					
Technology transfer and products adaptation within Bangladesh	III	no. of technology transfer and products adaptation **	15	9	1	1 ( Besides 25 under VCD sub projects)	6.67%	30.000	18.000	0.625	0.625	2%

<b>Progress of AWPB implementation</b>												
<b>Description of activities</b>	<b>Loan Category</b>	<b>Logframe indicators</b>	<b>Project total (2015-2020)</b>	<b>Planned for FY: 2016-17</b>	<b>Achievement (July-Dec16)</b>	<b>Achieved Cumulative (Jan'15-Dec'16)</b>	<b>% achieved of the total project</b>	<b>Budget Project Total</b>	<b>Budget for FY: 2016-17</b>	<b>Actual Expenditure (July-Dec 16)</b>	<b>Actual cumulative expenditure up to Dec 2016</b>	<b>Cumulative achievement of Project total target (%)</b>
Technology transfer and products adaptation outside Bangladesh	III	no. of technology transfer and products adaptation **	5	2	1	1	20.00%	12.500	5.000		2.50	<b>20%</b>
3.3 Technical assistance and studies	III	a) PKSF recruits TA providers (Bangladesh and foreign) to assist VCs	a) recruits 4 TA providers	2	0	0	0.00%					
	III	b) Conduct subsector, technical feasibility, impact assessment and other studies	b) Conduct 24 subsector, technical feasibility, impact assessment and other studies	9	1	2 (13 studies are under way)	8.34%					
Subsector studies (agri, non-farm, services)	III	no. of study conducted**	10	8	1	0 (8 studies are underway)	10.00%	3.000	2.800	0.252	0.252	<b>8%</b>
Technical feasibility studies	III	no. of study conducted**	5	5	0	2 (5 studies are under way)	0.00%	2.500	2.500		0.435	<b>17%</b>
Consulting/advisory services for VCD projects (national &	III	no. of study conducted**	4	2	0	0	0.00%	4.000	2.000		0.043	<b>1%</b>

<b>Progress of AWPB implementation</b>												
<b>Description of activities</b>	<b>Loan Category</b>	<b>Logframe indicators</b>	<b>Project total (2015-2020)</b>	<b>Planned for FY: 2016-17</b>	<b>Achievement (July-Dec16)</b>	<b>Achieved Cumulative (Jan'15-Dec'16)</b>	<b>% achieved of the total project</b>	<b>Budget Project Total</b>	<b>Budget for FY: 2016-17</b>	<b>Actual Expenditure (July-Dec 16)</b>	<b>Actual cumulative expenditure up to Dec 2016</b>	<b>Cumulative achievement of Project total target (%)</b>
foreign)												
Overall sectoral VCD project impact studies	III	no. of study conducted**	4	0	0	0	0.00%	4.000			0.000	<b>0%</b>
Physical environment (waste management)	III	no. of study conducted**	1	1	0	0	0.00%	1.000	1.000		0.000	<b>0%</b>
VAT on sub-sector studies, technical feasibilities studies, consulting/advisory services, vcd impact studies and environment studies)								2.175	1.050	0.038	0.103	<b>5%</b>
<b>Total of component-3</b>								<b>65.175</b>	<b>36.650</b>	<b>0.915</b>	<b>3.958</b>	<b>6%</b>
<b>Project Management</b>												
Office equipment								3.786	0.232	0.0	2.932	77%
Vehicles								20.0	0	0.0	11.603	58%

<b>Progress of AWPB implementation</b>												
<b>Description of activities</b>	<b>Loan Category</b>	<b>Logframe indicators</b>	<b>Project total (2015-2020)</b>	<b>Planned for FY: 2016-17</b>	<b>Achievement (July-Dec16)</b>	<b>Achieved Cumulative (Jan'15-Dec'16)</b>	<b>% achieved of the total project</b>	<b>Budget Project Total</b>	<b>Budget for FY: 2016-17</b>	<b>Actual Expenditure (July-Dec 16)</b>	<b>Actual cumulative expenditure up to Dec 2016</b>	<b>Cumulative achievement of Project total target (%)</b>
Monitoring, evaluation and impact assessment								13.595	4.025	0.143	3.852	28%
Personel-PMU-PKSF								93.6	18.3	7.539	30.896	33%
TA/DA								28.044	5.15	1.991	7.493	27%
<b>Total of Project Management</b>								<b>366.961</b>	<b>57.260</b>	<b>24.148</b>	<b>102.163</b>	<b>28%</b>
<b>Grand Total</b>								<b>7257.561</b>	<b>958.18</b>	<b>8438.754</b>	<b>28090.832</b>	<b>378%</b>