

Project Implementing Agency: Palli Karma-Sahayak Foundation (PKSF)



Background

Palli Karma-Sahayak Foundation (PKSF), an apex development organization, established by the government of People's Republic of Bangladesh has been implementing various programs and projects for poverty alleviation through its Partner Organizations (POs) since its inception in 1990. Recognizing the importance of microenterprises in expediting poverty alleviation process, PKSF launched Microenterprise Program (which is now known as *Agrosor*) in 2001 to provide financial services and other related supports to micro entrepreneurs.

PKSF started implementing **Promoting Agricultural Commercialization and Enterprises (PACE) Project** in January 2015. The project is financed by International Fund for Agricultural Development (IFAD). Prior to the PACE project, PKSF had successfully implemented three other IFAD funded projects, 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 PACE project has been contributing significantly in expanding the microenterprise sector in Bangladesh. The project is being implemented throughout the country.

PACE Project: At a Glance

Goal: The project's 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 manner that ensures sustainability.

Objective: The development objective is to improve profitable business opportunities for microentrepreneurs and create wage employment for extreme and moderate poor people.

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. As many as 4,52,000 project participants will be benefited directly under these three components in the project period (January 2015 to December 2020).

Financial Services for Microenterprises: PACE provides financial services to the microentrepreneurs for running their enterprises. Entrepreneurs utilise the loan amount in different enterprises of trade, farming, processing and service sectors. Besides, new financial products (such as start-up capital loan and lease financing) has already been launched to promote microenterprises. It is expected that 70% of microentrepreneurs will be able to increase their sales by 50%, and 13,000 full-time wage employment will be created with the project support.



A woman microentrepreneur engaged in her enterprise



Buffalo improvement through Value Chain Interventions

Value Chain Development: To promote microenterprises in the country, PACE is making value chain interventions in different economic subsectors that have growth potentials. The project will implement value chain activities in 15 farm and 15 non-farm subsectors. As many as 3,00,000 microentrepreneurs will receive technical, technological and marketing support within the project period.

Technology and Product Adaptation: The PACE project is making interventions to remove technological bottlenecks in different

potential economic sub-sectors under the component of technology and product adaptation. The proven technologies and products are being transferred to different subsectors from home and abroad in order to increase productivity as well as income of the entrepreneurs engaged in different microenterprises. At least 50,000 microentrepreneurs will be benefited throughout the project period.



Fish Dryer technology for dry fish production

Project Cost: The total project cost is USD 92.85 million.

Componentwise Cost Allocation (million USD)

| | |
|--|---------------------|
| Financial services for Microenterprise | : 70.60 (76%) |
| Value Chain Development | : 15.00 (16%) |
| Technology & Product Adaptation | : 0.87 (1%) |
| Project Management | : 6.38 (7%) |
| ----- | |
| Total | 92.85 (100%) |

Source of Financing (million USD)

| | |
|--------------|---------------------|
| IFAD | 40.00 (43%) |
| Korean Grant | 0.36 (1%) |
| PKSF | 22.45 (24%) |
| POs | 30.04 (32%) |
| ----- | |
| Total | 92.85 (100%) |

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