

Making a difference in Asia and the Pacific



Special issue: January 2011

Bangladesh Results from IFAD's Bangladesh programme

In this issue

Welcome to the ninth edition of IFAD's newsletter for Bangladesh.

In 2011, IFAD and the Government will draw up a new country strategy to guide IFAD operations over the period 2012 to 2016. As part of this process, the outcomes and impacts of the current IFAD country programme will be reviewed. In advance of this review, this newsletter summarizes some results from four IFAD-supported projects in Bangladesh. Further data and information will be generated in the coming months to draw lessons from IFAD's activities in the country.

From 1 February 2011, IFAD will have a new Country Programme Manager (CPM) for Bangladesh. I am to take over management of IFAD's programme in India and Thomas Rath, now IFAD CPM for China, will become CPM for Bangladesh. I have enjoyed managing the Bangladesh portfolio for the last ten years and appreciate the strong partnership that has been built between IFAD and its partner government agencies. I would like to thank our team of project directors, project coordinators, project staff and consultants for all their hard work, ideas and enthusiasm. I would also like to thank the many Government officials I have worked with for their support and guidance.

Nigel Brett, Country Programme Manager, Asia and the Pacific Division

Latest News

United States Ambassador visits MFTSP

On 27 August 2010, the US Representative to the UN Agencies in Rome (FAO, IFAD and WFP), Ambassador Ms Ertharin Cousin, visited field activities of the Micro Finance and Technical Support Project (MFTSP) which is being implemented by the Palli-Karma Sahayak Foundation (PKSF). The team, accompanied by USAID Deputy Country Director, Dennis Sharma, visited Rathunathpur village in Gopalganj district and met members of a group organized by Gono Unnayan Prochesta (GUP), one of the project partner NGOs. The Ambassador said she was surprised to see such success for women livestock farmers.

IFAD approves new fisheries project

On 13 August 2010, IFAD approved a new grant project: 'Linking fisheries and nutrition: promoting innovative fish production technologies in ponds and wetlands'. This USD 500,000 project, to be managed by the WorldFish Center will focus on nutrient-rich small fish species to reduce poverty, increase household income, and improve nutrition of women and children. The project will promote two innovative technologies: (i) improved carp-prawn polyculture that also includes nutrient-rich small fish in ponds, and (ii) improved wetlands management systems, specifically designed to increase the production of small fish species.



Ambassador Cousin meets MFTSP group Photo: MFTSP

Contacts

ifad@ifad.org
www.ifad.org

Martina Spisiakova
Newsletter Coordinator
IFAD
Via Paolo di Dono 44
Rome, Italy
Tel: 3906-54592295
m.spisiakova@ifad.org

Thomas Rath
Country Programme
Manager for Bangladesh
IFAD
Via Paolo di Dono 44
Rome, Italy
Tel: +39 0654592516
t.rath@ifad.org

Hashibul Alam
IFAD Field Presence
UNDP, IDB Bhaban
19th Floor
Agargaon
Dhaka-1207
Bangladesh
Tel: +88 01552422231
g.alam@ifad.org

**Key contributor to the
newsletter:**
Edward Mallorie
Consultant
emallorie@aol.com

Exchange rate:
US\$ 1 = BDT 70.00

Land area:
100 decimals = one acre =
0.4 hectare

New project website:
Micro-Finance for Marginal
and Small Farmers Project:
www.mfmsfp-pksf.org

IFAD reviews and supports Bangladesh portfolio

Between May and December 2010, IFAD staff and consultants, along with project staff, carried out the following missions and other events:

- Supervision of the Micro-Finance for Marginal and Small Farmers Project
- Expert workshop on the Performance Based Allocation System
- Second phase review of the Sunamganj Community-Based Resource Management Project (SCBRMP)
- Review of IFAD's country programme
- Formulation of the Hoar Infrastructure and Livelihood Improvement Project.
- Mid-term review of the Finance for Enterprise Development and Employment Creation Project
- Supervision of the Micro-Finance and Technical Support Project
- Pre-start-up support for Char Development and Settlement Project-IV
- Annual Performance Review Workshop in Nanning, China

Results from IFAD's Bangladesh Country Programme

Improved technologies for small farmers

The IFAD-supported Micro-Finance for Marginal and Small Farmers Project (MFMSFP) is being implemented by the Palli Karma-Sahayak Foundation (PKSF), through 25 of its non-governmental partner organizations (PO). The project has successfully extended the reach of microfinance to the agricultural sector, including seasonal loans for crop production. This is now being scaled up by PKSF throughout the country. Partner organizations are also providing technical support alongside their financial services, with a focus on a number of key technologies together with the development of market linkages.

Demonstrations of four key technologies were implemented by participating farmers supported by the Technical Officers (TOs) of the 25 POs during the 2009-10 winter cropping season. These technologies include:

- (a) Urea Super Granules (USG) – large granules of urea made from normal urea prills using a briquetting machine. The resulting ball of USG, about 1.5 cm in diameter, is placed in the soil of the paddy field about 7.5 cm below the surface, and midway between four hills of transplanted seedlings. Such deep placement reduces the rate of urea nitrification (and so loss to the atmosphere or in irrigation water), and increases the efficiency of N-fertilizer uptake from 30-70 per cent.
- (b) The leaf color chart (LCC) – an easy-to-use and inexpensive way of monitoring the relative greenness of a rice leaf as an indicator of the plants' N status. The LCC is ruler-shaped strip containing four shades of green - from yellowish green to dark green. It is 12 cm long, made of high-quality plastic, with veins in the colour strips to resemble rice leaves.
- (c) Alternate wetting and drying (AWD, also known as 'porous pipe') – an approach to scheduling irrigation application that allows irrigation applications to be reduced. This is done by inserting a 25 cm pipe, with the lower 15 cm perforated, vertically into the field. The water level in the pipe is monitored daily and, when no water is visible, it is time to irrigate again as the soil in the main root zone will now be at or below 'field capacity'. This method has been shown to reduce the total amount of water required to grow a crop of paddy by 25-45 per cent. It is a very cost-effective method. The pipe only costs a few Taka and saves substantially on irrigation water costs.
- (d) Pheromone traps to control insect pests in cucurbit crops (such as gourds, melons and cucumbers). Brinjal is seriously affected by shoot and fruit borer. Other gourds, cucumbers and fruit trees are affected by fruit flies that also require frequent spraying. Application of pesticides damages the environment and the health of both farmers, who apply the pesticide without protective clothing, and consumers, due to residual pesticide contamination of harvested crops. Pheromone traps are a biological alternative to pesticides – the pheromone chemical attracts male insects which are killed in the traps.

Results of the demonstration have been obtained from ten POs covering a total of 1,137 farmers who used USG, 3,489 farmers using LCC, 197 farmers trying AWD and 1,128 farmers who tested pheromone traps. For comparison, information was also obtained from participating farmers on yields and costs for plots where they used their normal technologies. These results are summarized in Table 1.

Ongoing IFAD operations in Bangladesh

[Participatory Small-Scale Water Resources Project](#)

Loan number: I-786-BD
Total cost: US\$107 million
IFAD loan amount: US\$32 million
Asian Development Bank loan amount: US\$55 million
Project type: agriculture
Approval date: 15/09/09

[National Agricultural Technology Project](#)

Loan number: I-739-BD
Total cost: US\$84.6 million
IFAD loan amount: US\$16.5 million
World Bank loan amount: US\$62.6 million
Project type: agriculture
Approval date: 13/12/07

[Finance for Enterprise Development and Employment Creation Project](#)

Loan number: I-725-BD
Total cost: US\$57.8 million
IFAD loan amount: US\$35.0 million
Project type: credit and financial services
Approval date: 12/09/07

[Market Infrastructure Development Project in Charland Regions](#)

Loan number: I-681-BD
Total cost: US\$43.9 million
IFAD loan amount: US\$25.0 million
Grant from Royal Netherlands Embassy of US\$ 5.0 million
Project type: rural development
Approval date: 13/12/05

[Microfinance for Marginal and Small Farmers Project](#)

Loan number: I-644-BD
Total cost: US\$29.7 million
IFAD loan amount: US\$20.1 million
Project type: credit and financial services
Approval date: 02/12/04
www.mfmsfp-pksf.org

[Microfinance and Technical Support Project](#)

Loan number: I-609-BD
Total cost: US\$20.2 million
IFAD loan amount: US\$16.3 million
Project type: credit and financial services
Approval date: 10/04/03

Table 1: Results of demonstrations

Technology demonstrated	USG	LCC	AWD	Pheromone
Input reduced	N fertiliser	N fertilizer	water	pesticide
Change in amount of input	-37%	-35%	-27%	-95%
Change in cost of input	-26%	-35%	-19%	-70%
Change in total costs	0%	-4%	-7%	-3%
Change in crop yield	9%	8%	2%	13%
Change in total income	9%	8%	2%	15%
Changes in net income	19%	21%	9%	32%

Although the use of USG reduced the cost of nitrogen fertilizer by 26 per cent, this cost saving was offset by the extra labour needed to 'plant' the USG briquettes in the field. However, yield increased due to a more constant supply of nitrogen to the paddy, and the project is already testing a simple machine to reduce the labour needed for USG application. A similar saving in urea fertilizer and increased yield was achieved using LCC, but without the additional costs, both of application and of the fertilizer itself (the cost of briquetting means USG is slightly more expensive than ordinary urea).

A farmer pioneers USG

Mr. Motiar Rahman lives in Dugorpara village of Panchbibi Upazila, Joypurhat district. He has a medium sized farm with 3.5 acres (1.42 ha) of cultivated land, which is all used to grow boro rice. In 2007, Motiar became a member of the Dugorpara Proush Samity, formed by JAKAS Foundation in 2007 under PKSf's MFMSFP.

Motiar is a successful member of this group. He has taken and repaid seven seasonal loans from JAKAS. Since joining the group he has purchased a power thresher and a power tiller. Motiar attended a training course on the use of urea super-granules (USG). He learned that inserting USG briquettes into the soil when the paddy is planted makes more efficient use of nitrogen fertilizer than the normal method of applying urea fertilizer by broadcasting it onto the surface of the soil.



Motiar was interested in trying USG on his own land and took the opportunity to participate in a demonstration of USG in a 5 acre block organized by JAKAS in 2009-2010. Within this block, he cultivated 0.5 acres of boro rice, applying 25 kg of USG using a mechanical applicator supplied by JAKAS. On another 0.5 acre plot of boro outside the block demonstration, Motiar applied 50 kg of prilled urea using the normal broadcasting technique. In both plots he used the most popular variety of boro rice: BR 29.

By using USG Motiar not only saved 25 kg of urea worth Tk300, but he also found there was less incidence of insect and disease damage compared with his other plot. The USG plot yielded 1,536 kg of paddy, while the prilled urea plot yielded 1,408 kg, so Motiar obtained 128 kg additional paddy from the same area, worth Tk1,920. Together with the saving on cost of fertilizer, the total benefit amounted to Tk2,220 for a plot of 0.5 acres (equal to Tk10,997 per hectare). The additional application cost for USG was minimal as Motiar operated the application machine himself (as shown in the picture).

Story and photo: MFMSFP

The use of AWD resulted in a 27 per cent reduction in the number of irrigations, but as some irrigation costs are fixed (the capital cost of the pump, and some pump owners levy a fixed charge per hectare irrespective of the amount of water used), the average cost of irrigation only declined by 19 per cent. Although there was no increased requirement for weed control (sometimes a problem if paddy fields are not kept flooded), there was a little increase in crop yield and only a moderate increase in net income.

The use of pheromone traps was tried in five different types of gourd, cucumber and brinjal, and was a highly profitable intervention in all seven crops. Most farmers were able to eliminate the use of pesticides. Furthermore, there was a 70 per cent reduction in the total cost of pest control and a 13 per cent increase in yield. Profits could be increased even more if outlets could be found to sell 'poison-free' vegetables at a premium price. In the current season, these interventions are being disseminated to even larger numbers of farmers.

[Sunamganj Community-Based Resource Management Project](#)

Loan number: I-567-BD

Total cost: US\$34.3 million

IFAD loan amount:

US\$22.0 million

Project type: flexible lending mechanism

Approval date: 12/09/01

IFAD partners in Bangladesh

Government partners

[Economic Relations Division](#), Ministry of Finance – IFAD's focal point

[Local Government Engineering Department](#) (LGED) – lead project agency for IFAD's Sunamganj Community-Based Resource Management Project, the Market Infrastructure Development Project in Charland Regions, and the Participatory Small-Scale Water Resources Project

[Palli-Karma Sahayak Foundation](#) (PKSF) – lead project agency for IFAD's Finance for Enterprise Development and Employment Creation Project, Microfinance and Technical Support Project and Microfinance for Marginal and Small Farmers Project

[Department of Agricultural Extension](#) (DAE) – implementation agency for the Market Infrastructure Development Project in Charland Regions and for the National Agricultural Technology Project

[Department of Livestock Services](#) (DLS) – implementation agency for the National Agricultural Technology Project

[Department of Fisheries](#) (DOF) – implementation agency for the National Agricultural Technology Project

[Bangladesh Agricultural Research Council](#) (BARC) – implementation agency for the National Agricultural Technology Project

Use of Porous Pipe saves Irrigation Water

Mr. Tota Mia lives in Maradewa village of Fulpur Upazila, Mymensingh district, together with his wife, son and daughter. His total cultivated land area is 2.5 acres (1.01 ha), of which 2 acres is used to grow paddy and the rest for cultivating vegetables and other crops.

In 1996, Tota joined the Maradewa Small Farmers Male Samity formed by GRAMAUS. That time, it was a partner NGO in the Smallholder Agricultural Improvement Project (SAIP) of the Department of Agricultural Extension and IFAD. When SAIP ended in 2007, GRAMAUS moved the group to PKSf's MFMSFP.

Tota has taken several loans including seasonal loans from GRAMAUS. In the field training organized by GRAMAUS he learned about the use of porous pipes in determining when to apply irrigation water. He became interested in co-operating in an 8 acre block demonstration being established by GRAMAUS.

The farmer planted one acre of boro rice in the demonstration block and used porous pipe to measure when to apply irrigation. His other one acre of boro rice was planted outside of the block and he applied irrigation as practiced traditionally. In both plots he used the popular boro variety BR 28. The demonstration plot required ten irrigations during the season while the other plot needed 22. The irrigation cost using the porous pipe plot was Tk4,650, while on the other plot it was Tk7,275. He saved Tk2,625 by using the porous pipe method. In addition, the porous pipe plot produced more paddy - 2.40 tons, compared with 2.20 tons on the other plot. This additional production of 200 kg was worth Tk3,000. The total benefit that includes increased production and the irrigation saving was Tk5,625 (equal to Tk13,894 per hectare).

In the next boro season Tota says he will use the porous pipe method of irrigation on both of his plots. The farmers' samity has decided to use porous pipes for the whole irrigation block to save water and increase yield. He is happy to learn about this simple technology, which saves money and increases production.



Story and photos: MFMSFP

Developing value chains for smallholders

The Facilitation of Marketing Services component of the Microfinance for Marginal and Small Farmers Project (MFMSFP) is being implemented by Practical Action Bangladesh (PAB) in partnership with six POs of PKSf. PAB is using a Participatory Marketing System Development approach. The component is being implemented over a three-year period. Each PAB develops six different sub-sectors – one with each of the participating POs. The results of the first six sub-sectors to be developed are shown in the table below.

Sub sector	Milk	Tomato	Maize	Betel leaf	Brinjal	Latikachu
Partner organization	JAKAS	PMUK	SKS	TMSS	ASKS	ASPADA
Project area (upazilla)	Panchbibi	Dinajpur Sadar	Gobindaganj	Mohanpur	Pabna Sadar	Trishal
No. of participating farmers	210	200	204	200	221	200
No. of participating service providers	7	6	4	11	5	6
No. of participating traders	5	2	4	14	7	75
Total direct participants	222	208	212	225	233	211
No. of indirect participants ¹	458	523	820	368	376	1037
Total acres cultivated/animal reared by participating farmers	343	66	27	22	136	27
Yield increase	500% ²	9%	4%	0%	10%	2.8%
Price increase	28%	13%	44%	111%	18%	208%
Employment increase	34%	20%	17%	19%	39%	22%
Net income increase	500% ²	23%	48%	109%	29%	17%

¹ Farmers, service providers and traders indirectly benefiting from project interventions

² Potential future benefits

Donor partnerships

Water Sector – The Embassy of the Kingdom of the Netherlands and IFAD are jointly funding the Market Infrastructure Development Project in Charland Regions and the Char Development and Settlement Project IV. IFAD and the Asian Development Bank are jointly funding the Participatory Small Scale Water Resources Development Project.

Agriculture – The World Bank and IFAD are jointly funding the National Agriculture Technology Project.

IFAD is fully included in the 2005 [United Nations Development Assistance Framework](#)

International Agricultural Research Centres

International Rice Research Institute is implementing two IFAD grant projects: Reducing risks from arsenic contamination for poor people, and Support to agricultural research for climate change adaptation.

WorldFish Center has been contracted by an IFAD-funded project to monitor community fisheries.

Non-governmental organizations (NGOs) implementing IFAD-supported projects:

Agroforestry Seed Production & Development Association (ASPADA)

Al-Falah Aam Unnayan Sangstha (AFAUS)

Ananya Samaj Kallayan Sangstha Salgaria (ASKSS)

Annesha Foundation

Bangladesh Development Society (BDS)

Bangladesh Extension Education Services (BEES)

The impact of road development in Sunamganj

Up to June 2010, LGED's Sunamganj Community-Based Resource Management Project has built a total of 213 km of concrete village roads which have provided improved communications for 580 villages. Of these roads, 46 km were built by Labour Contracting Societies (LCS) formed by project Community Organizations.

Project staff carried out a survey of five concrete roads that were built during 2004/05 and 2007/08. A total of 196 people were interviewed. They reported a remarkable shift in the mode of transport using the five roads. Before the improvement, most traffic was caused by pedestrians and bicycles, with a significant number of reporting carts (human or animal powered) and rickshaws. Overall, 56 per cent of respondents did not report any use of rickshaws or any form of motor-powered transport before the road improved. The road improvement increased rickshaws, motor-cycle and light motor vehicles greatly. Over a third of respondents mentioned that the roads were now used by tractors (two-wheel tractors pulling a light trolley) (Table 2).



Women LCS members constructing road. Photo: Akash

Per cent h'hold reporting	before	after
Pedestrians	63%	6%
Boat (when flooded)	22%	6%
Cart	34%	6%
Bicycle	65%	63%
Rickshaw/van	39%	95%
Motorcycle	5%	54%
Light motor*	1%	48%
Tractor-trailer	0%	36%
Bus or truck	0%	1%

* auto-rickshaw, CNG, tempo, laguna, micro-bus

Almost all respondents reported that better project roads resulted in improved employment opportunities, household income and access to education, health services, markets and town. Over half of respondents said access to markets, education and health was much better (Table 3). Even before roads were built, women from almost all households visited their local town. However, the frequency of their visits has now increased from an average of 1.59 times per month to 3.53 times.

	Per cent household reporting				
	worse	same	little better	lot better	total
Employment opportunities	0%	6%	54%	40%	100%
Household income	0%	2%	59%	39%	100%
Access to education	1%	5%	37%	57%	100%
Access to health service	0%	2%	42%	56%	100%
Access to markets	0%	4%	38%	58%	100%
Access to town	0%	6%	56%	39%	100%

reporting growing high-value crops has not changed, 66 per cent report an increased area of these crops, with the average area increasing from 35 to 52 decimals. Crop sales have also gone up. Although the proportion of respondents reporting such sales has only increased slightly (from 66-70 per cent), the average value of sales has increased by 69 per cent from Tk127,000 to Tk203,000.

With intensification of agriculture, farmers are hiring more labour. While 45 per cent of respondents reported hiring labour before road development, this

increased to 68 per cent after roads were built. It has been difficult to get a reliable estimate on the amount of labour hired, but on average, respondents said they employed nine persons before development and 26 after. Average daily wages paid have increased from Tk109 to Tk202. Farm transport costs to bring fertiliser to the farm and send crops to market have halved (Table 5).

	percent household reporting				
	less	same	more	not grown	total
Paddy	2%	19%	39%	40%	100%
Vegetable & potato	1%	15%	58%	26%	100%
Pulse & oilseed	1%	24%	38%	38%	100%
Other crops	0%	6%	23%	71%	100%

NGO partners

BEDO Segun Bagicha

Centre for Advanced Research & Social Action (CARSA)

Centre for Community Development Assistance (CCDA)

Coastal Association for Social Transformation Trust (COAST Trust)

Dushtha Shasthya Kendra (DSK)

Dak Diye Jai (DDJ)

Eskandar Welfare Foundation (EWSF)

Eco-Social Development Organization (ESDO)

Gram Unnayan Karma (GUK)

Grameen Manobik Unnayan Sangastha (GRAMUS)

Gano Unnayan Procheshta (GUP)

Grameen Jano Unnayan Sangstha (GJUS)

Hilful Fuzul Samaj Kallyan Sangstha (HFSKS)

Integrated Community Development Association (ICDA)

International Development Enterprise (IDE)

Jatiyo Kallyan Sangstha Sabujnagar (JAKAS)

Joypurhat Rural Development Movement (JRDM)

Naria Unnayan Samity (NUSA)

Pally Bikash Kendra (PBK)

Palli Progati Shayak Samity (PPSS)

Padakhep Manabik Unnayan Kendra (PMUK)

People's Oriented Program Implementation (POPI)

Table 5: Change in farm transport cost

		before	now	Change
fertiliser	Tk per 50 kg	53	26	-51%
crops	Tk per 40 kg	44	23	-49%



Concrete block road at Islampur, Sadar Upazila. Photo: SCBRMP

There has only been a small increase (from 18 to 22 per cent) in the proportion of households reporting non-farm businesses. However, their average sales increased by 159 per cent and profits by 162 per cent. The proportion of businesses employing workers increased from 49 to 58 per cent. The number of employed increased by 130 per cent while average daily wages increased from Tk119 to Tk164. Better roads meant the cost of transporting one load from an upazila town and the district headquarters fell by 49 per cent and 62 per cent respectively.

Road construction has enhanced the value of land within easy reach of the road. All respondents reported increased land prices, with the average price of homestead

land increasing by 113 per cent, agricultural land by 161 per cent, and roadside land suitable for a business increasing by 190 per cent. In terms of changes in overall standard of living using four indicators, at least 90 per cent of respondents reported improvements, with most reporting moderate improvements (Table 6).

The results of this study show that the vast majority of people, living along the line of roads developed by the project, thought that road development

resulted in significant benefits in terms of improved livelihoods and incomes. There has been a significant switch to wheeled and motorized transport. The cost of transporting goods has halved.

Results from community fisheries

Table 7: Results from community fisheries

Fishery year (May to April)		2007-08	2008-09	2009-10
Beels under BUG management	Number	70	78	138
	Area - acres	1,353	2,807	3,367
Biodiversity – no. of beels with over 40 fish species*		15%	45%	60%
Number of BUG members		2031	2287	3641
Percentage of members women		13%	19%	21%
Main fish harvest	Number of beels	54	63	110
	Production tons	116	113	191
	Yield kg/ac	118	54	69
	Fish price Tk/kg	55	81	90
	Sales value Tk'000	6,376	9,189	17,241
Profit distribution	No. BUG members receiving	1,399	1,891	2,994
	Average Taka per member	1,510	1,870	2,050
Wages for fishing	No. of BUG members employed	926	1,018	1,619
	Average Taka wages paid	834	2,007	2,611

* WFC monitoring of sample beels

The community based fisheries management component of the Sunamganj Community-Based Resource Management Project has generated significant benefits for poor fishers. Data in Table 7 (from project monitoring) shows how the programme has expanded over the last three years. Beel User Group (BUG) members both fish as individuals and collectively. The joint 'main fish harvest' at the end of the season generates income for the group which is used to pay lease fees and other expenses with the net profit distributed to members. The individual catch is, on average, about the same as the joint catch.

NGO partners

Practical Action Bangladesh (PAB)

Program for Community Development (PCD)

Project in Agriculture, Rural Industry Science and Medicine (PRISM)

Rangpur Dinajpur Rural Service (RDRS)

Resource Integration Centre (RIC)

Sabalambay Unnayan Samity (SUS)

Samj Kallan Sabgastha (SKS)

Self-Help and Rehabilitation Programme (SHARP)

Society for Social Service (SSS)

Society Development Committee (SDC)

Shariatpur Development Society (SDS)

Sangkalpa Trust

Thengamara Mohila Sabuj Sangha (TMSS)

United Development Initiative for Programme Actions (Uddipan)

Voluntary Association for Rural Development (VARD)

Uttara Development Program Society (UDPS)

Village Education Resource Center (VERC)

In addition about 100 other PKSF partner NGOs are participating in the FEDEC project

Useful links

IFAD in Bangladesh:
<http://www.ifad.org/english/operations/pi/bgd/index.htm>

Rural poverty in Bangladesh:
www.ruralpovertyportal.org/english/regions/asia/bgd/index.htm

Although low levels of flooding limited production in 2008/09 and 2009/10, BUGs generated a higher income as their sale price of fish increased. This can be at least partly attributed to increased biodiversity resulting from improved management and conservation practices. Greater biodiversity has meant that some rare, but high value, species of fish are re-appearing in catches. Higher group income has meant more money paid out to members as profit share and more wage payments to group members who catch the fish.



Fisherman at Bishwampur, Sunamgang,

Photo: Akash

Road to democracy and sustainability: Election of BUG office bearers

A critical factor for the success and sustainability of community-managed fisheries is the quality of the leadership of the Beel User Group (BUG). The Sunamganj Community-Based Resource Management Project has brought in rules that elections for the BUG committee should be by secret ballot, should be held every two years, and that committee members cannot serve for two consecutive terms. Experience shows that quite often the leaders who established the group and got possession of the beel are not the best leaders for the longer term development of the waterbody.



Casting votes in the BUG election

Photo: SCBRMP

The election of office bearers of the BUG of Tedhala Huglia Chatol Beel was held on 28 July 2010. This was the second election to be held since the group was established. An Election Committee was formed to conduct the election. Interested candidates submitted their nomination forms and the Election Committee allotted symbols to each candidate. The candidates were allowed to campaign for five days before the election.

Eight of the nine positions for committee members were contested (only being a single nomination for one post).

A total of 48 voters cast their votes, with winning candidates, including one woman, receiving between 30 and 37 votes. The election took place in the local Union Parishad complex. It was conducted by the Election Committee in the presence of the election agents of the candidates, a Union Parishad member, the Upazila Fisheries Officer, SCBRMP staff and local journalists. A transparent ballot box was used for casting votes. Election started at 12.00 pm and the result was declared at 5.00pm.

The observers expressed their full satisfaction about the election process. "I have never seen such a transparent and organized election. The candidates are fully aware of the democratic sense and are interested in developing alternative leadership," said the Upazila Fisheries Officer. He further commented: "Our national democratic institutions may learn a lot from them."

Between July and September 2010, a total of 38 BUG elections were scheduled. These elections are vital for the good governance and sustainability of BUGs.

Story: SCBRMP

Research on smallholder livestock systems

The Micro-Finance and Technical Support Project (MFTSP) is being implemented by PKSF through 25 of its Partner Organizations. The project has commissioned a number of research trials and studies on smallholder livestock production.

One research project has been implemented by Professor Dr. Md. Jasimuddin Khan and Md. Tofazzal Hossain on behalf of the Department of Animal Nutrition of the Bangladesh Agricultural University (BAU). This project compared the performance of two improved breeds of duck (Khaki Campbell and Jingding) with the local (*desi*) variety in saline coastal areas.

The project has been promoting these improved varieties. The table below shows that both improved breeds performed better than the *desi* variety in terms of growth and egg laying. This meant that keeping these breeds was more profitable. The Jingding performed better than Khaki Campbell – it has the ability to dive under water to get feed.

Table 8: Comparison of different breeds of duck			
	Khaki Campbell	Jingding	Desi
Growth rate g/day	9.12	8.02	6.52
Eggs by 350 days	132	152	82
Duck-egg-day	38%	44%	25%
Survivability	95%	98%	94%
Cost Tk/bird	473	473	453
Income Tk/bird	722	809	495
Profit Tk/bird	249	366	42



Amina Begum, a member of a MFTSP group at Lalar Gao, Sylhet feeds her Khaki Campbell ducks. Photo: Akash

Another research study investigated the profitability of the different enterprises in the poultry value chain. This work was undertaken by Meherunnesa Chowdhury Sumy and Md. Manirul Islam for the Department of Basic and Social Sciences, Chittagong Veterinary and Animal Sciences University. The results in the table show that all five enterprises were profitable. However, the model breeder is only marginally profitable, suggesting that mini-hatcheries should pay more for fertile eggs.

	Chick rearing	Key rearer	Model breeder	Mini hatchery	Poultry worker
Batch size	311	19	97	336	361
Gross cost Tk/batch	18,384	5,770	73,678	3,264	233
Gross income Tk/batch	27,955	22,097	81,315	6,791	713
Net income Tk/batch	9,571	16,327	7,637	3,527	480
Batches per year	3.45	1	1	5	12
Net income per year	33,020	16,327	7,637	17,636	5,760

Impact of rural market development

The Market Infrastructure Development Project in Charland Region (MIDPCR) is being implemented by the Local Government Engineering Department (LGED) with support from IFAD and the Netherlands. The project is developing 60 small rural markets (called *hat bazaars*) and market linkage roads in the coastal districts of Noakhali, Laxmipur, Barisal, Bhola and Patuakhali. The first two batches of 36 markets are now complete, and impact surveys have been carried out by the Project Management Unit (PMU). Many of the markets were also visited in October by the IFAD Mid-Term Review (MTR) mission.

Development of these public markets is based on established LGED standards, and includes paving and drainage of the market area, internal roads, an open sales platform and open sheds for temporary traders, tube wells and latrines. Most of the markets are located in remote areas, being between 8-25 km from the upazila headquarters and 8-96 km from the district town. On average, one market caters for about ten villages.

All markets operate every day of the week. On average, markets have two 'hat days' each week, when a larger market is held, attended by more temporary traders and,

often, cattle traders. Special market days are held in eight out of the 18 batch one markets. These are generally just before the Muslim festival of Eid al-Adha and continue for between two and ten days for sale of sacrificial animals. The average number of special market days has increased since market development from 3.2 to 5.0.

All people, both sellers and buyers, met by the MTR were enthusiastic about market development and its positive effects on their livelihoods and life. The main benefits associated with market infrastructure development (even before the linkage roads are completed) include:

- increased number of buyers and sellers (including women), at least 25-50% (in some cases even more)
- increased number of wholesalers coming to the market (more competition to buy crops from farmers)
- a greater choice, variety and quality of goods
- a good environment for selling and buying and also for community members to meet (the tubewell water supply was cited as the most significant benefit for market users in the PMU survey)
- decreased losses as goods are now sold out because of increased demand, or because of improved facilities and transport
- decreased cost and time spent on transport and
- increased value of land and construction of other facilities (such as shops) in the area around the market.

A shopkeeper at Guinger Hat told the MTR mission that his business increased by 60-70 per cent mainly due to the increased number of customers visiting the market. A temporary trader selling vegetables in Munshir Hat said that the volume of his sales increased by 25 per cent with a corresponding increase in income, while he also experienced a reduction in spoilage (from 8 to 5 per cent) and in transportation costs. According to other traders, in the past, out of 40 kg of potatoes, 10 kg got lost because they were not sold.

An old man in Janata bazaar said that people can now wear shoes in the market because of existing market facilities and infrastructure. At this market, the price of land has nearly doubled, from Tk3,000-4,000 per decimal to Tk5,000-6,000.

A fish seller at Bazlur Hat compared how the market used to be – when he used to sit on a muddy floor – and how it is now – after a fish shed has been built. According to him, his income increased by 25-30 per cent and fish spoilage decreased accordingly. In Fulbagicha market, a permanent shopkeeper reported a dramatic increase in his income as a result of market infrastructure development. His average income on hat days increased from about Tk 5,000 to Tk 8,000-10,000.

Farmers have started to sell their produce in Swanagar Bazaar since it was developed. A soybean grower used to sell his crop for Tk600/maund of 40 kg at the farm-gate, but now gets Tk750/md in the market. Tomatoes sell for an extra Tk1/kg in the market (Tk700/md at farm-gate and Tk740 in the market). Water melons cost Tk30 for 30 kg at farm-gate and Tk50 in the market. Farmers say that the advantage of using the market is that there is competition between wholesale buyers.

The PMU survey of the 18 batch one markets found that, with development, the average number of traders on a hat day increased from 163 to 235, with the largest increases in the numbers of temporary traders and producers (see Table 10). These groups are the people who directly use the facilities constructed by MIDPCR and, relative to shopkeepers, have less secure and remunerative livelihoods. The PMU survey recorded an increase in average sales per trader of 32 per cent (see Table 10) from Tk11,755 to Tk15,475 per week. Based on this data and increased number of traders, the overall increase in volume of trade is 75 per cent.



Fish sellers in a MIDPCR market

Photo: Rownok Jahan

Table 10: Increase in value of market trade

	Shop-keepers	Temporary traders	Producers	Total
Average number of traders*				
Before development	67	67	29	163
After development	84	95	56	235
Increase in number	25%	43%	91%	44%
Average sales per trader				
Before Tk'000/week	22,395	5,440	2,443	11,733
After Taka/week	28,922	8,047	3,330	15,474
Increase in sales	29%	48%	36%	32%
Average sales per market				
Before Tk.m./year	77.9	18.9	3.7	100.5
After Tk.m./year	126.3	39.8	9.6	175.6
Overall increase	62%	111%	160%	75%
Net margin per trader				
Before Tk'000 per year	101.67	37.80	36.06	63.75
After Tk'000 per year	149.14	52.01	47.23	85.63
Increase	47%	38%	31%	34%

* Number of traders is for a hat day as the sample survey data on weekly sales would have taken account of some traders not trading on non-hat days
Source: Key informant interviews and sample survey

Market Management Committees (MMC) did not exist prior to the start of the project. They now exist in all markets and are properly constituted as per government policy, with representatives of shopkeepers, temporary traders, women traders on the committee being democratically elected. MMCs meet regularly (usually monthly), and deal with a number of market management issues, including shifting shops to make space for market, monitoring of toll collection, cleaning, drainage, leasing out of toilets to a caretaker, appointment of night guards, allocation of space to temporary traders, maintenance of tubewell and disputes between shops.

MMCs are applying for the 25 per cent of market lease fees which they are entitled to use for market maintenance and development works. To receive this money they need to open bank accounts and draw up plans on how the money will be used. Up to now, as far as it is known, MMCs in Bangladesh have not received

these funds, any works being carried out by the upazila authorities on their behalf. Enabling MMCs to take responsibility for this work will be an important step in building local responsibility for market management.

MMCs have plans for further improvement of the market, using these maintenance funds and/or other money raised from stakeholders. There is much demand for further space for temporary traders and, in a number of markets, MMCs are planning to further expand market areas. At Munshir Hat, the MMC would like to approach private land owners around the market area to purchase their land. In Bazlur Hat, the MMC indicated they have available land to expand the market to meet the demand from increasing trading activities. Other MMCs are planning to invest in land raising to expand the area of flood-free land for the market. MMCs also plan to develop more internal roads and drains.

Women in rural markets

Throughout the South Asian sub-continent, markets have traditionally been the most taboo area for women. The market is a place that pollutes women, and women who go there lose social status. Despite changing social norms there is still a strong social stigma against the presence of women as sellers in the market. At the same time, the Government, seeing the importance of women being equal operators in the market, has been implementing a policy stating that all markets should have Women's Market Areas (WMA) as exclusive areas for women sellers. These areas usually take the form of a number of shop units that are leased out to women.

The first batch of eight WMAs for MIDPCR markets have recently been completed. A short study is now being conducted by Rownok Jahan to review the participation of women in these markets.

Women's use of markets as buyers: of the two project zones, the Noakhali zone is known as a more conservative area, with women participating less in activities outside their homes. It was therefore surprising to find significant numbers of women buyers in the markets. This can be attributed to:

- an increasing number of single women with no adult men in their household – partly due to the high level of male out-migration
- more women are self-employed using microfinance loans and a number of microfinance institutions have offices at markets that women members visit
- increasing formal employment of women in jobs such as school teacher, NGO worker and health worker.

These factors give women confidence to leave their homes, or mean that they are constrained to do so in the absence of male relatives.

In both regions, at time of festivals, the number of women buyers has increased tremendously. In both zones the project has contributed to the increased use of markets by women through:

- improved market environment with construction of new facilities, which adds to women's confidence about the safety and security of the place
- easier access to the market due to construction of village roads and

- availability of toilet facilities for women, in some markets.



A woman selling goats at Sagoria Bazaar, Hatiya Photo: R Jahan

Women's use of markets as sellers: three categories of women traders operate in the markets constructed by the project. They are:

- temporary traders who sell agricultural produce produced by others (sometimes after value addition) or consumer goods such as women's accessories
- producers who sell small quantities of their own produce and
- business and service entrepreneurs operating from permanent shops.

The study found that most women sellers were producers, selling small quantities of items such as vegetables, floor mats, poultry, and eggs.

Some women temporary traders sell produce for a fee rather than purchasing and then re-selling commodities. They are the poorest from the lowest strata of society, and normally work as housemaids with better off households. These better-off households generally pay Tk40-70 to their housemaids to sell their produce in the market.

Impact: female traders in Bazlur Hat market said that, as a result of the increase in trade following market development, they now have money available to meet their family's needs. They improved their social status and have a better relationship with their husbands. They also found a safe environment for sharing views and problems with other women and with the UP representative.

In the seven markets covered in the study, there were only three women-operated shops before. Now there are 24. These shops provide an example and a sense of security that encourages women temporary traders, women producers, and women buyers to use the market.

A shop in the Women's Market Section provides a comfortable livelihood

Safali Rani Shil (30) has been living at Arojbegi bazaar for almost ten years. Safali's husband Ammulaya Shil came from another district and set up a tailoring shop-cum-house in this market. Later, he married Safali to take care of his children from his first wife who had passed away. Safali learned tailoring when she started assisting her husband in his work in 2002. Now, she is fully skilled and able to run the business independently, especially after her husband got sick.

Their house is very small (only 12x7.5 ft). With her children growing up, she needs more space. To get a better place to do business, she applied for a shop in the newly-built WMS. The MMC and other market operators knew that she is landless and the only income earner of her family. She was interviewed and got a shop.

Safali has been running her shop in the WMS for nearly two months. She is also still running the business from home to let her current customers know her new business address. She has dress materials and some readymade clothes made by herself in her new shop. Her average profit per month is Tk.2,500, much the same as she made when working from home. But she is now enjoying more space, planning to use her shop for ready-made garment and tailoring. Gradually, she will close her previous business at home so that her children can have more space to study.

Rownok Jahan, Gender Consultant

Market construction work benefits the poorest women

The Market Infrastructure Development Project in Charland Regions (MIDPCR) is being implemented by LGED with funding from IFAD and the Netherlands. The project has formed groups of poor people called Labour Contracting Societies (LCS) to undertake construction work. To date, these LCS have built 34 rural markets, with another ten under construction, eight women's market areas, with four more under construction, along with 20 km of brick roads. All these groups have women leaders and 90 per cent of their members are also women. This strategy has enabled poor women to get paid work for about 80-160 days in a year during the construction period and also to share the profit made in the contract (which amounts to sum about equal to the wages paid). This profit, plus savings from wages and NGO support, is enabling the women to take up income generating activities after the end of the construction period. The skills learned during construction are also enabling many women to find employment with contractors or in other donor funded programmes.

Women members of LCS are drawn from the poorest members of society. Only the poorest women are interested in doing this manual work. A baseline sample survey of 76 LCS members showed that 68 per cent of the women members were the principal bread-winners for their families with 53 per cent being from female-headed households. Two-thirds of respondent households did not even own land for a homestead, and 30 per cent lived in someone else's house. Before LCS work, their main source of income was domestic service (68 per cent of households), for which women often get little payment other than their meals. This was followed by Fetra and Zakat (Islamic charitable relief) for 42 per cent of households. Average total income per household member per day was only Tk10 – about 10 per cent of the national average. All 76 sample households had per

capita incomes that would place them in the poorest 10 per cent of the country. Almost all (97 per cent) of households suffered from food shortages, with 68 per cent experienced shortages for at least six months per year, and 41 per cent said they have insufficient food throughout the year.

Jannat starts a market business

Jannat Begum (35) is a widow. She has no education, and got married when she was only 15. Her husband was an illiterate day labourer. After 15 years of marriage, her husband got sick and, with no medical treatment, died within six months. She was left with two daughters and a son. With no source of income, she started working for wealthier villagers as a maidservant. But this work was irregular with no steady income which forced her into begging. Her daughters grew up, and it was difficult for her to arrange their marriage.

In 2008, with the help of members of the Union Parishad (local government), Jannat was able to joint a MIDPCR LCS to build new market facilities at Sagoria bazaar on Hatiya island. She worked at the construction site (cutting earth, compacting soil, mixing cement and watering). She worked for 136 days, until the project ended, at the rate of Tk.100/day. She was paid Tk.50/day in cash with Tk.50 kept as savings by the MIDPCR Community Organizer. At the end of the project, Jannat received Tk.6,800 in savings from the Upazila Engineer's office as well as Tk.10,630 as her share of the contract profit.

The Market Management Committee suggested that she starts

a business of selling vegetables, as this requires little capital. Jannat now earns Tk.100-150/day, which meets her daily expenses. She hopes to save money for her daughter's wedding.



Story and photo: MIDPCR

A follow-up survey covered 118 LCS members shortly after the completion of the first batch of markets. On average, these women earned Tk7,469 in wages and received Tk9,569 in profit share. Although there was not a dramatic increase in average household income (only about 18 per cent), households invested in assets and enterprises. About 34 per cent of wages and profit shares were invested in productive enterprises (with 19 per cent used to buy cattle), 28 per cent was used for household investments (9 per cent for leasing land, 5 per cent for buying land and 6 per cent for house building), and 38 per cent went for consumption (29 per cent for food).

The number of cattle owned by sample households increased by 169 per cent and goats by 140 per cent. This shows that benefits from LCS have been partly used to support families (the percentage of children going to school increased from 74 to 86 per cent) and partly for investments. But these investments were too recent to result in increased income. Women also reported higher confidence and improved social position in their families and in the wider community.

LCS work helps Jolekha to overcome disasters

Jolekha Begum (35) lives in Jurkhali village. She got married at 16, which is not unusual in a rural area. Jolekha's husband was an agricultural labourer, owning only two decimals of homestead land. Due to his prolonged illness, he could do little to feed his family. Out of their five children, one is working in a factory, but only earns Tk.1,300 per month, two are at school, and two are yet to go to school. To survive, the family needs more than 3 kgs of rice per day, which means that Tk.70-75 per day is spent on nothing but rice.

Cyclone Sidr swept the southern districts of Bangladesh in 2007 and hit Jolekha's household very hard. Their house was severely damaged and the only assets they had – two goats – were lost. Furthermore, demand for agricultural labour was drastically reduced because of the damage inflicted on crops. As a result, the little income, that her husband earned, also fell. When Jolekha's husband died a few months ago, she was in debt as a result of accumulated medical expenses. She did not see any light at the end of the tunnel.

However, local people helped Jolekha repair the damage Sidr had caused to her house. Furthermore, a local Union Parishad member put forward her name to Sagoria bazaar MMC to work as a LCS member constructing the market infrastructure. Before starting the construction work, she was given two days technical training with the other LCS members. This training enabled her to devote herself to the construction works. She worked 136 days earning Tk.13,600 in wages. Jolekha received Tk.10,630 as a profit share in addition to her daily wage.

Jolekha used this money to start a rice trading business in the market, making about Tk.150-200 per day from selling rice. With this income, she was able to pay off the debt. Her life

substantially improved within a couple of months. The story shows that rather than relying on relief, it is by having an access to opportunities that helps poor people to sustain their livelihoods.



Story and photo: MIDPCR

Farmers gain from group marketing

The sleepy little village of Ainabaz, Bauful upazila of Patuakhali district, relies on agriculture. Although production is increasing as the population rises, market demand is static. There is only one market, Kalia Bazaar, and this is some way off and expensive to reach. Farmers had very little information about market prices and they were often cheated, getting an unfair price after spending considerable time and money in reaching the market. The alternative was to sell at the farm-gate to small traders, 'farias', but these generally offered a very low price. The smallholders had no negotiation power and had to accept whatever price they were offered for their produce, that is, if they managed to sell it at all.

The Rural Enterprise Development (RED) component of MIDPCR, being implemented by IDE (International Development Enterprise) Bangladesh, addressed the

challenge. RED's market analysis found that most produce was sold by farmers to farias. Farias sell to paikers (small wholesalers), who then sell to beparis (traders who assemble produce for sale to other regions), who in turn sell to arathdars (commission agents in major markets). The arathdar plays a vital role in linking the regional market to the national consumer market, and provide market information to the bepari, piker and faria. But little information on market demand and prices reach the farmer. To improve the efficiency of the market system, RED has linked farmers directly with an arathdar.

To enable farmers to sell directly to a higher level in the market chain, a group marketing approach was adopted. This means that group members would create collection centres at convenient locations where farmers would assemble their produce and sell to larger buyers. To deal with the initial scepticism for this new concept, RED held a number of meetings at which the merits and demerits of group marketing were discussed.

The farmers began to understand that forming a group would give them some power in negotiations with buyers. Many farmers signed up and a 52-member group was formed. A value-chain study of the local produce was conducted to identify market opportunities. It was agreed upon that the group would first sell mungbeans and chillis. RED facilitated a linkage workshop with potential buyers and service providers, at which the advantages of buying directly from smallholders were explained.



Members of the Ainabaz marketing group

Photo: IDE

An arathdar (Gautum Babu) agreed to buy in bulk from the farmers. Both buyers and sellers benefit: Guatam would get a large volume of the freshest produce (for which he was willing to pay a good price, yet lower than what he would have paid to any other source) and the farmers would avoid the trouble and cost of travel. Yet, they would get a better price than by having to sell to the farias. Besides Gautum, various other market actors were also introduced to the farmers. Every Tuesday a meeting was arranged to help the farmers get market information, share experience, solve their agricultural problems, and plan for the future.

RED encouraged the farmers to start a savings scheme and to provide loans to its members. Within a short time a total of Tk20,000 was disbursed in loans to 13 of the group's members. The rest of the fund is held in a joint account in Grameen Bank. The group marketing proved

to be an instant success. Free from the hassles, travel expenses, and the worries of not being able to sell at a good price, the farmers gather their produce at the collection centre and have all their produce purchased at an excellent price. For example, the market rate of mung at Kalia Bazaar averaged Tk3,400 per mound (40 kg), but they got Tk3,430 per mound through group marketing. The average rate of chilli at the market was Tk3,150, but the farmers got Tk3,185. The success of the scheme has inspired people in nearby villages, and a 63 member group was formed in a neighbouring village. Having regular meetings means that farmers are no longer left isolated in dealing with their problems. Getting a loan and planning new business ventures is no longer an impossible dream. Some members are planning to buy cows and transport vehicles.

Story from IDE

Market linkage gives farmers a new input

Soybean is a popular cash crop in Noakhali and Laxmipur districts. It is easy and cheap to grow. Most farmers rely on this crop to provide the bulk of their cash income. However, farmers were increasingly facing problems due to a combination of factors such as insufficient rainfall, scarcity of high quality inputs, diseases, and lack of technical knowledge, all leading to poor yields and low quality output.

The RED component of MIDPCR aims to identify high value market opportunities for char producers. It works in selected sub-sectors to create economic opportunities. RED investigated the soybean sub-sector to find a way to help farmers. Their analysis showed that using inoculums (or inoculants) – bacteria that enable pulse crops (such as soybean) to fix nitrogen from the air, increasing disease resistance and ensuring healthy crop – would help them. BINA (Bangladesh Institute of Nuclear Agriculture) is working to acquaint farmers with the use of inoculums. With the help of BINA, RED formulated a plan to spread awareness among farmers regarding inoculums. Detailed information was collected through DAE (Department of Agricultural Extension).

RED then facilitated a number of linkage workshops for farmers, input retailers, paikers (wholesale buyers), and DAE staff. Soybean cultivation and the use of inoculums were discussed. Both input dealers and farmers realized the benefits. Inoculums increases crop yield by 15 to 20 per cent and input dealers could profit from its sales and the sale of other inputs. An input dealer made a list of farmers cultivating soybean to find out how much inoculums would actually be needed. A formal application was then made to the Director of BINA to obtain around 40 kg of inoculums. This was distributed to 120 selected farmers at Char Sullukia, Sadar upazila of Noakhali and Ramgati of Laxmipur last year. In 2009/10, these farmers grew soybeans using inoculums on a total of 27 hectares of land.

On average, the soybean yield for these farmers increased by 500 kg per hectare. Moreover, farmers found that they can decrease their use of fertilizers, so overall cultivation cost was reduced by Tk1,500 per hectare. Greatly encouraged by this success, a total of 300 farmers have signed up to use inoculums in the 2010/11 season.

Story from IDE