

IFAD-LGED Partnership:

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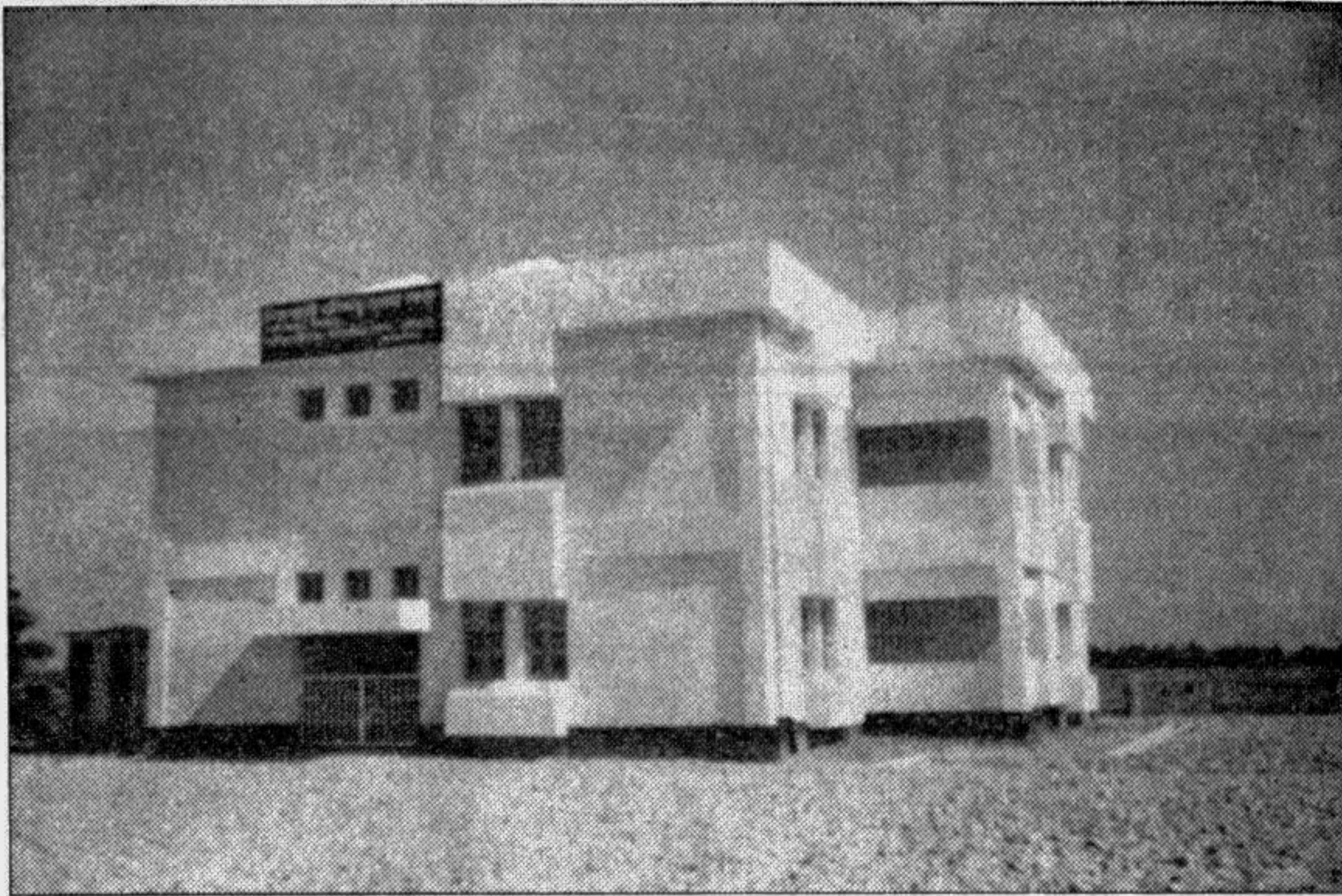
Quamrul Islam Siddique
tance from IFAD will help to increase agricultural production, increase incomes of the small and marginal farmers, boost up fisheries/aquaculture and strengthen beneficiary groups and institutions, develop rural infrastructure for better accessibility and marketing facilities, provide rural credit

tagong and Cox's Bazar districts.

Under the project, 25 cyclone shelters, 4 small scale irrigation infrastructures and 28 Km of feeder roads have been constructed. Work of the remaining 10 cyclone shelters is going on and the progress is about 70 per cent.

The activities of the project were started in 1993-94 and will be completed in 1998-99. The physical progress of the project is 92 per cent and the financial progress is 70 per cent.

Conclusion
Implementation of the above development projects of the rural development sector and the agriculture sector of Bangladesh with assis-



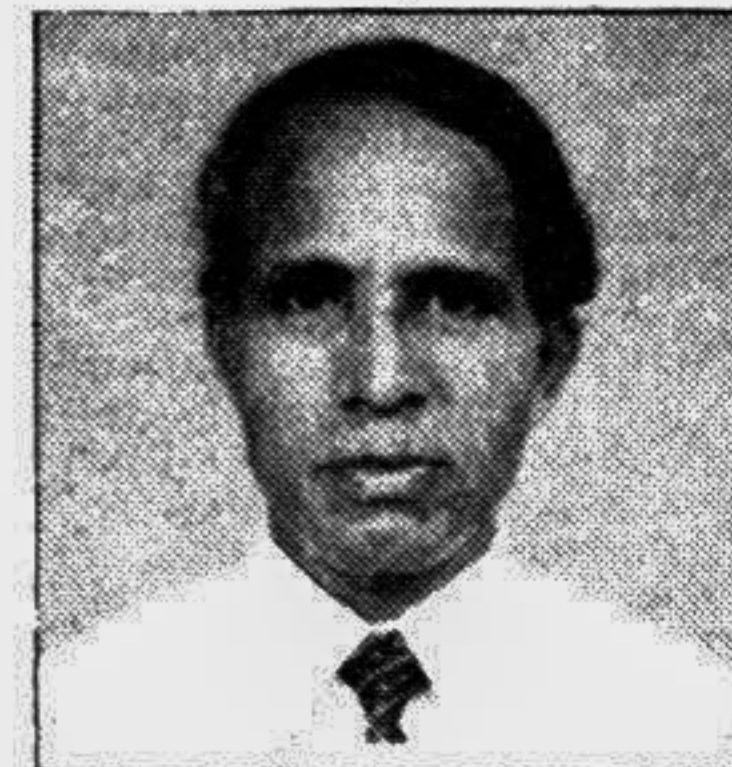
A view of IFAD assisted cyclone shelter, constructed by LGED, in Kutubdia under Cox's Bazar district.

support, create employment opportunities for the rural poor and the destitute women. All these will ultimately contribute towards poverty alleviation in Bangladesh.

tune of Taka 170 lakh. The beneficiary would enjoy the benefit of this credit without collateral. The second category of fund concerns to credit for the Agriculture Credit Programme. Agrani Bank is scheduled to provide this credit to the target poor. Under this approach Agrani Bank would receive Taka 200 lakh from the project as 'Risk Fund.' As against the risk fund the bank will disburse Taka 600

credit disbursement and saving management run under a two-tier strategy. The first is the IGA approach which is running under 100 per cent. In this case the disbursement and return of credit to and from the beneficiary runs with very little problem. The Project Co-ordinating Unit is operating the IGA credit with the help of the selected NGOs. The success in this context explains that given there is good intent and sincerity of purpose the GO-NGOs and the target poor can make an effective headway to overcome poverty. It also shows that a sense of 'self-help' among the beneficiary has gained ground. The IGA approach empowers the poor to use money in the way they think it better for their purpose. This system removes the intermediary. Here project money is directly going to the target groups. This creates scope for the social distribution of wealth and achievement of equity objective. It is a shift in change of conventional outlook to one of modernisation. The involvement of NGOs in the system has made the

whole exercise easier. This has already proved to be a good lesson and a learning point for replication of these experiences in the upcoming projects. It appears that under IGA credit approach has already established a 'socially necessary condition' which is a since qua non for the social development.



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On the other side of the coin, however, the Agriculture Credit Programme under Agrani Bank is not in a position to make a breakthrough to disburse credit to the target groups. The conventional cumbersome procedures and condition for collateral do not allow the credit operation to go to the target groups in the same spirit as deemed essential. Even the provi-

Agricultural Diversification and Intensification Project

Mr Rafique Ahmed
Project Coordinating Director, ADIP

General Information About ADIP:

"Agricultural Diversification and Intensification Project (ADIP)" will extend its support and cooperation to 85,000 farmers groups in Gazipur, Tangail, Narsingdi and Kishoregonj districts. The duration of this project is seven years (From July 1997 to June 2004) and estimated cost is about Tk. 14,437.00 lakh of which IFAD is contributing 61 per cent, World Food Programme (WFP) 16 per cent, Government of Bangladesh (GOB) 13 per cent, Agrani Bank (AB) 5 per cent and consumer groups 5 per cent.

Objectives of ADIP:

The overall objective of ADIP is to improve the livelihood of 85000 farm families under the project areas and to enable landless and marginal families to increase their income and improve their nutritional status through poultry raising, fishery, homestead gardening, agro-processing and other income generating activities.

These objectives will be achieved by:

- Creating a favourable agricultural development environment of technology transfer and market and land development.
- Using the group formation and community development skills of the NGOs and the Agrani Bank;
- Developing community infrastructure for improved access, marketing and training facilities of currently isolated communities.

Target Groups:

The target groups of the project are:

1. Landless
2. Functionally landless (up to 0.2 ha)
3. Marginal Farmers (0.21-1.0 ha)
4. Small farmer (0.61-1.0 ha)

sion of 'Risk Fund' an equal alternative to act

ha)

The project is designed to improve the livelihood of the two target groups. The small group farmers (SFGs) will be assisted by support for agricultural development including crop diversification and intensification, flood control and drainage, provision of credit and benefited from community development, the provision of credit for income generation activ-



Rafique Ahmed

ities including technical advice for livestock and fisheries production as well as infrastructure and market improvement.

Project Component:

The project has four components however, DAE will act as the lead agency.

(1) Agricultural Development:

It includes research, extension and embankment and drainage to be implemented by the four district deputy directors of agriculture with LGED constructing the embankment and drainage schemes. Some support for market development would also be given. The primary goal of the component is to increase the income of target farm households. This objective is to help both to intensify existing production and to diversify into more profitable crops and other rural activities, it will be achieved by:

Adopting a target group approach emphasizing group based planning system involv-

for the collateral is also failing to melt the ice in the usual sense of the terms. The two system, one prescribed under NGO based IGA and the other under the conventional Banking norms make sharp differences. There appears an increasing demand for the IGA approach while with a seeming denial for the banking approach in the disbursement of credit to the poor.

Conclusion:

In terms of what explained above, it appears that IFAD is trying to examine the innovative credit approach it has earlier designed and is now under experimental trial in its Netrokona project. The IGA umbrella credit package in

ing technology/information adaptation, dissemination and market-led production.

The target group will be offered a wide variety of on and off-farm enterprise opportunities and will be able to choose those that respond to their own needs and resources.

Adopting a participatory research mechanism and establishing sustainable links with extension for agro-ecological and location-specific adoption and transfer of production technology. Developing an implementation structure and method that would encourage beneficiary participation in all project activities through group extension and communication support.

(2) Community Development:

It will be implemented by selected NGOs to from small farmers groups (SFGs) and marginal and landless groups (MLGS) to train them in literacy, public health, hygiene, and family planning as well as group management and to enable them receive credit.

(3) Rural saving and credit:

It includes the provision of a revolving fund to NGOs and a line of credit to Agrani Bank for lending to NGOs or directly to small farmer groups. There is provision of a risk fund to reduce the collateral requirement.

(4) Community Infrastructure:

It includes improvement of earth roads, bridges, growth center upgrading, landing stages and thana level training facilities, to be implemented by LGED.

Project Management and Coordination:

The Project implementation organizations are:

1. Department of Agriculture Extension (DAE)
2. LGED
3. Agrani Bank
4. NGOs

Conclusion:

"Agricultural Diversification and Intensification Project" may act as a milestone in the socio-economic development of the landless, marginal and small farmers. Though the activities of this project are limited within four district, it may be regarded as a model in the development of the poor farmers. Now ADIP has already taken-off and it is expected that the project will take its momentum within a few months.

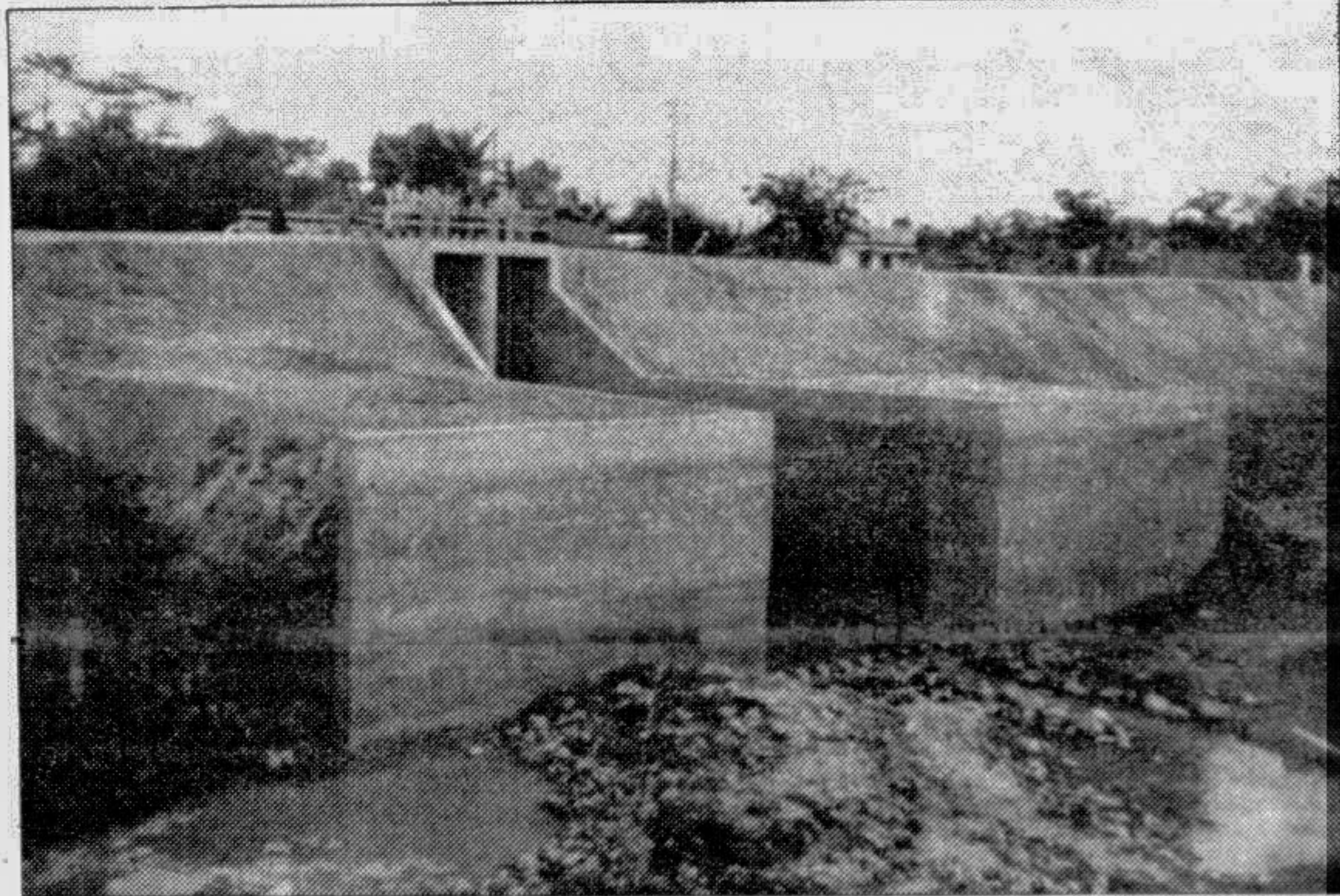
the project has paved the way for both training and credit for the poor. This is what is most essential to arrive at the social goal of poverty alleviation. The credit programme in the project has given enough scope for the poor to organise them in groups and implement plan in the way they find it suitable for their livelihood. This means human face and for that matter the poor are the priority considerations in the design of project over all other things. In fine, this project may provide a 'Think Tank' for the development planners to explore ideas and to look at how the poor and their poverty have become the centre of focus in the planning process.

Micro Credit

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and Water Management Project is under implementation since 1994. The project period is seven years. The basic objective of the project is to increase agricultural production and in a way to improve the livelihood of the agricultural community and poor target group of the project area.

block in the way of a change in the livelihood of the poor. A study of the Formulation and the Appraisal Report of the project indicates that in the given socio-economic condition if the poor target groups are beset with credit in an easily available and moveable manner then they are capable enough to change their lots. From the findings of



LGED constructed Regulator founded by IFAD in Madan Thana

The project cost is 52 crore. The project is an integrated approach with components such as Agricultural Development, Rural Infrastructure and Water Management. The Department of Agriculture Extension, LGED and BWDB implement these components of works. Besides, there is also provision for credit and savings arrangement for the target poor.

Assumptions:

Available information in the project indicates that the poor target group within the project area runs under financial crisis. This financial crisis is the key issue and stands as a stumbling-

the same study it is also relevant to assume that the target groups might set a good example of 'self-help' provided they are given easy and timely access to credit for their income generating activities.

Strategy:

To appropriate these hypotheses necessary credit mobilisation action plan was made in the project. It consists of two-tier strategy. In the first place, it concerns to provision of credit for Income Generating Activities, IGA. The Project Co-ordinating Unit manages this fund. Under the IGA approach there is a provision for 'revolving fund' to the

lakh to the selected beneficiary from its own fund. The non-government organisations, NGOs are given the responsibility for the selection of target groups both for the IGA and agriculture Credit Component. NGOs also provide capacity building training to the beneficiary to make them suit for the credit.

Analysis and evaluation:

The project is running in its fifth year. Within this time both the progress and impact of the project and in particular the progress of micro-credit headed to such a length that when it may be suitable for some observational comments. The



IFAD financed vegetable garden for the economic development by small farmers.

Two Decades

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technology dissemination to IFAD stockholders and rural infrastructure to improve accessibility to inputs and product markets.

To achieve its objectives and goals IFAD cooperates and collaborates with Government agencies and parastatals such as the Local Government Engineering Department, Department of Agriculture Extension, Department of Livestock Services, Department of Fisheries, financial institutions such as the Bangladesh Krishi Bank, the Agrani Bank, and the Grameen Bank, NGOs such as BRAC, Proshika, and Swanirbahar-Bangladesh, and rural cooperative systems such as the Bangladesh Rural Development Board. Increasingly, it is relying significantly on district-

based NGOs to upgrade and enhance the capacity in order to enable them to appropriately address local opportunities.

Programme Update

IFAD to date has supported a total of 18 projects of GOB, of which 13 (thirteen) have been completed and another six are currently under implementation. The projects cover major sectors of rural development such as agriculture, livestock, fisheries, infrastructure, water resources, credit, micro-enterprises, income generating activities.

The completed projects include: Pabna Irrigation, Fertilizer Sector Programme, Small Farmers Credit, South-west Rural Development, Northwest Rural Development, Grameen Bank II and III, Small-scale

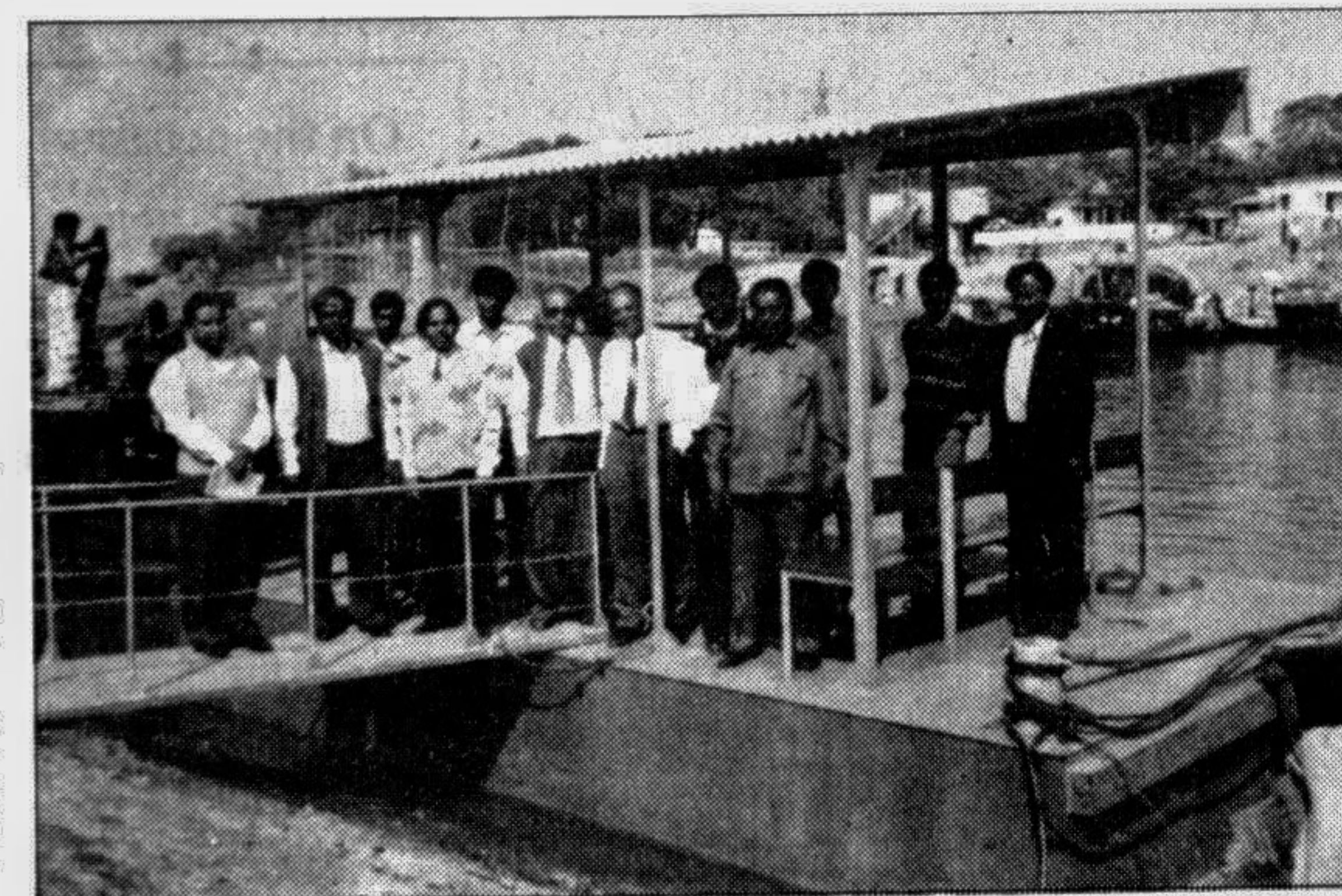
Flood Control and Drainage, Marginal and Small Farm Systems, Crop, Intensification Project and Oxbow Lakes

Small-scale Fishermen Development Project, Small holder Livestock Development Project and Special Assistance Pro-

ject for Cyclone Affected Rural Households.

Current Support

With the financial as-



LGED built Pontoon in Netrokona financed by IFAD

stance of IFAD, GOB is currently implementing: Netrokona Integrated Agricultural Production and Water Management Project, Employment Generation Project for the Rural Poor, Small-scale Water Resources Development Sector Project, Agricultural Diversification and Intensification Project, Third Rural Infrastructure Development Project and Aquaculture Development Project. Besides above-mentioned six projects, another project called Smallholder Crops Improvement Project is proposed for IFAD Board presentation in April, 1999.

In consideration of devastation caused by floods of 1998, IFAD has decided to extend the closing dates of the Livestock and the Cyclone Projects to June 1999 in order to support the current initiative of the Government for rehabili-

tation of rural infrastructure out of savings from these two projects. IFAD also intends to organize a national seminar in Dhaka in February 1999 to arrive at a consensus on guidelines for developing pipeline of future projects.

Impact

IFAD's emphasis on specificity and beneficiary targeting has led to the development of instrumentalities such as

group formation, group-based extension, innovative credit models, people's participation and decentralisation of the development process. This evolution in project design and new, distinctly pro-poor development methods is one of the greatest successes of the IFAD programmes in Bangladesh. IFAD has ef-

fectively contributed to poverty alleviation through increasing the access of smaller farmers to improve technology, capital and financial services; increasing the participation of beneficiaries, including women, in the project implementation process; promoting the diversification of income generation activities; and supporting entrepreneurship development of the rural poor.

Loan Disbursement

Maintaining an average disbursement rate of around 76.4 per cent in the period 1978-1993, IFAD has provided Bangladesh with loans amounting to nearly SDR 229 million of which about SDR 60.5 million is for disbursement between 1994-2004.

Courtesy:

Ministry of Agriculture Economic Relations Division and Local Government Engineering Department.