

Bangladesh: Agro-Forestry Improvement Partnership (AFIP)

Phase 2: 01.08.2008 – 31.03.2010

7F-03804.02

CHF 1'500'000

Summary

Over the last 10 years Bangladesh has enjoyed a reasonable rate of economic growth which, together with a decline in the rate of population increase, leads to a slight reduction of poverty. The main drivers of economic growth are the readymade garment sector (main export), remittances from overseas migration and agriculture. Nevertheless, the primary sector's development lagged behind the overall economic growth. One of the reasons is that small and poor farmers are unable to access quality planting materials (QPM) and sufficient production inputs. The development and effective distribution of QPM is seen as one of the major constraints in agricultural progress. Both, the development of QPM and the distribution of agricultural know-how are still hindered by the lack of a systematic well-thought-out approach in the rural production sector. Research institutions and extension agencies need to concentrate on more demand led exploration of technologies (including QPM) as well as on a more practice oriented professional advisory services to farmers and other key stakeholders of the agricultural sector (e.g. nursery owners). For this, the capacities of the research institutions and extension agencies themselves need to be upgraded. Bangladesh's Poverty Reduction Strategy (PRS) recognises that agriculture is an important driver of the rural economy; it is vital for the success of pro-poor growth.

The cultivation of a wide variety of trees and crops (fruit and timber trees, spices, medicinal plants), in and around homesteads, is of great importance for the livelihoods development of small and marginal farmers, who represent over 50 % of the total population. The majority of the rural households depend on different types of Agro-Forestry production for about half of their requirements in food and cash. Agro-Forestry offers as well diversified opportunities for employment in rural areas (work in respective farms and nurseries), including for landless and marginalised people.

SDC's first Sustainable Land Use (SLU) Programme (1986 – 2003) promoted the development of private nurseries for making planting materials of fruit and timber trees available to small farmers. Despite of first successful achievements (capacity development of nurseries and associations, performance of research centres and distribution, etc), the quality of these materials remained weak; limiting a reasonable return to the farmers. SDC initiated the Village & Farm Forestry Project (VFFP) in 1997 to address the quality aspects in the Agro-Forestry sector. In 2004, the more specialised Agro-Forestry Improvement Partnership (AFIP) project, oriented the focus in its 1st phase (09.2004-07.2008) towards a systematic cooperation between national institutions and other key stakeholders of the QPM domain for strengthening respective research and for establishing an efficient distribution system (including quality control).

The focus of the national research and extension services in Agro-Forestry is to be oriented still more towards (marketable) quality production among small and marginal farmers. Thus, AFIP, will continue in its 2nd phase (08.2008-03.2010) to work on improving the responsiveness of these entities for a demand driven QPM development and distribution system. In order to achieve this, AFIP will provide respective capacity development to its partners in research and extension (as up to present). Additionally, nursery owners and their associative structures (e.g. at community level) will be supported in offering adequate QPM to farmers families that are involved in Agro-Forestry. A more diversified production on farms and in nurseries will contribute to increase employment and income opportunities for poor and extreme poor (including landless people); thus, AFIP is in line with SDC's new Cooperation Strategy 2008-2012 for Bangladesh. AFIP will work in 55 districts (at present 45 districts) and will benefit close to 600'000 households. Intercooperation (IC) implements the project along with the two national NGOs, BRAC and Proshika.

AFIP's focus will be adjusted to the other two Agro-Forestry projects, LEAF and SAAKTI, for the reason of a more efficient joint management and monitoring by IC and SDC. The plan is to synchronise the three projects in the frame of a joint strategy beyond 2010.

The contribution of SDC for AFIP's 2nd phase (01.08.2008 - 31.03.2010) is CHF 1'500'000.

1 Introduction

1.1 Context and background

Over the last 10 years, Bangladesh has enjoyed a reasonable rate of economic growth which, together with a decline in the rate of population increase, leads to a slight reduction of poverty. The main drivers of economic growth are the readymade garment sector (now the main export), remittances from overseas migration and agriculture. Agriculture accounts for about 60% of rural employment, and over half of the income of the poorest rural households comes from farming or wage labour on farms. Bangladesh's Poverty Reduction Strategy (PRS) recognises that agriculture is an important driver of the whole rural economy and that it is vital for the success of pro-poor growth.

There is a general concern that small and poor farmers are unable to access quality planting materials (QPM) for a sustainable increase of their production. Moreover, improved and affordable pro-poor technologies (e.g. homestead tree management and nursery management technology for small nursery holders) are often not on hand. The development of QPM and making them available for poor farmers is seen as one of the major tasks in Bangladesh's agricultural sector; alongside with the introduction of High Yielding Varieties (HYV), the implementation of conducive policies and the strengthening of institutional capacities (e.g. for providing professional support in research and extension). Agro-Forestry, particularly the cultivation of a wide variety of trees and crops (fruit trees, timber trees, spices, medicinal plants) in and around homesteads, is of immense importance for the livelihoods of Bangladesh's small and marginal farmers, who represent over 50 % of the total population.

SDC's first Sustainable Land Use (SLU) Programme (1986 – 2003) promoted the development of private nurseries in order to make planting materials of fruit and timber trees available to small farmers. Despite of first successful achievements, the quality of these materials remained weak; thus, limiting the return to the farmers' livelihoods. Therefore, SDC initiated the Village & Farm Forestry Project (VFFP) in 1997, to address these problems. The VFFP flowed into the more specialised Agro-Forestry Improvement Partnership (AFIP) project; its focus in the 1st Phase (09.2004-07.2008) lead towards a neat cooperation between national institutions and other relevant stakeholders of the QPM domain, by strengthening specialised research and by establishing an efficient distribution system (including quality control).

AFIP is complementary to two other SDC projects, implemented by Intercooperation (IC); a) the Livelihood, Empowerment and Agro-Forestry (LEAF) project, which is fostering the capacities of poor and extreme poor for a market oriented Agro-Forestry production through community organisations; and b) the Sustainable Access to Agro-Forestry Knowledge, Technology and Information (SAAKTI) project, which supports the establishment of adequate local service capacities (e.g. for advisory, extension and marketing) within the same value chain.

AFIP's 1st phase was extended up to July 31st, 2008, with the aim of tuning its future role in relation to SDC's Cooperation Strategy (CS) 2008-2012, as well as to adjust its annual planning schedule to the ones of LEAF and SAAKTI. However, a joint monitoring system of three projects (as stipulated in the credit proposal of the 1st phase) is still at a very initial stage and needs to be further developed until 2009. The project will, during phase 2, further develop methods and tools with LEAF and SAAKTI for a joint outcome monitoring at farmers level.

A external review will be conducted in 2009, coordinated with the evaluation process of LEAF and SAAKTI in order to define possible joint strategic approaches beyond 2010.

Based on the findings of a Self-Evaluation (SE) in 2007, AFIP's 2nd phase was designed to work mainly under the same objectives and action lines as up to now. Nevertheless, the focus of the national research and extension services in Agro-Forestry is to be oriented still more towards the demand of small and marginal farmers on quality production schemes which would increase their performance on gainful markets.

1.2 Achievements

The SE confirmed the relevance of AFIP's objectives and approaches, in relation to the requirements of a functional QPM system in Bangladesh's Agro-Forestry sector. The main lesson learnt is that the establishment of an effective production and distribution scheme for

QPM is a long-term issue, requiring an outstanding cooperation among well positioned local and national stakeholders.

As main specific achievements of AFIP have been stated:

- 6,400 nursery owners in 280 Upazillas (sub-districts) of 45 districts have formed their Upazilla-based associations. 27 District Nursery Malik Samitees (DNMSs)¹ now support the further capacity development of these associations.
- The collaboration among the key stakeholders (research institutions, universities, extension agencies, NGOs and private sector nurseries) of the national QPM system has substantially improved; this was assessed based on an increasing offer of quality seed within an always more efficient distribution chain.
- The Bangladesh Agricultural Research Institute (BARI) and the Bangladesh Forest Research Institute (BFRI) have adopted strategic re-orientations in their programmes; research is now more demand oriented (relevant needs of nursery owners are analysed).
- The fruit tree improvement research at BARI and the Bangladesh Agricultural University (BAU) has made significant progress in developing varieties of a higher production potential. BFRI has established about 60 hectares of quality seed orchards; the Forestry Institute of Chittagong University (IFESCU) has set up 10 hectares for 9 species of major demand among the private nurseries.
- A central repository orchard, 4 regional multiplication orchards and 50 foundation mother tree orchards of improved fruit varieties are established.
- A national Fruit Tree Strategy, elaborated under the leadership of BARI with technical support by AFIP, has been approved by the Government.
- AFIP also provided expertise to the national task force for drafting a nursery act, based on quality control mechanisms for nursery products that have been tested in the project.

1.3 Coherence with National Policies and SDC's Cooperation Strategy

Agriculture is the number one priority sector in Bangladesh's PRS with the aim of providing an adequate and secure supply of food to the growing population. Moreover, agriculture is considered as one of the key drivers for pro-poor growth. It is confirmed that QPM play a crucial role in a diversified (market oriented) rural production system. Thus, AFIP is in line with basic priorities of the PRS; furthermore it responds (and contributes) to Bangladesh's policies for the development of the Agriculture (Agro-Forestry) sector.

AFIP will concentrate in its 2nd phase on supporting income generation chains and thus, on creating more employment for farmers and nursery owners (including for hired farm and nursery labour). Hence, the project tunes its future role within SDC's Cooperation Strategy Bangladesh (CS) 2008-2012, mainly related to the Employment-and-Income area. AFIP is a basic component in the Agro-Forestry Value Chain, supporting the CS' line of action 'Promote market development with employment and income opportunities for the poor and poorest'. AFIP responds to the crosscutting issues of gender (nurseries are often run as consolidated family businesses) and Disaster Risk Reduction (DRR), providing specific tree varieties for the protection of plots and ponds against floods. Working with the public institutions, the project is also contributing to local governance principles, such as, accountability (demand-led research) and non-discrimination (pro-poor QPM development and distribution); it supports the development of relevant know how for local service providers in the Agro-Forestry sector (public and private extension/advisory agents).

2 Scope of phase 2 (08.2008-03.2010)

2.1 Goal

The goal of AFIP in its 2nd phase is to "contribute to improved income and employment opportunities of rural poor and extreme poor (farmers, nursery owners and their labour) through

¹ DNMSs are the district associations of the nursery owners (Malik). Nursery owners are multiplying and selling QPMs with embedded advices on tree care and management. Associations are linking public and private agencies for technical training, sourcing of QPM, joint marketing; they represent and defend interests of the nursery owners.

promoting an effective national QPM system (production and distribution) in the Agro-Forestry sector’.

2.2 Objectives

The specific objectives of AFIP are as follows; (see as well logframe in annex 2):

Objective 1: Further strengthening and institutionalisation of demand-driven research on *improved QPM* of fruit, timber and other associated species (including QPM production technologies).

Objective 2: Further expansion and consolidation of the *QPM distribution system* for fruit trees, timber trees and associated species (spices, medicinal plants).

Objective 3: Promotion of the Agro-Forestry nursery sector to generate *economic opportunities for the poor* (within the respective value chain):

2.3 Expected outcomes

related to objective 1:

1.1 The research entities develop breeder level seeds or seedling sources of fruit, timber and associated species that meet a national demand and that are suitable for the poor.

1.2 The research entities develop appropriate and affordable management technologies for fruit, timber and other associated Agro-Forestry species.

AFIP responds in this action line to a market oriented offer of affordable quality product for customers at local and national levels; in a longer term perspective, specialities for export markets can be brought out as well. The development of relevant value chains leads to diversified job opportunities and livelihood in rural areas. Capacities of the research entities for more demand lead activities can be further strengthened.

related to objective 2:

2.1. Networks between the nursery associations, managements of foundation orchards and breeders are effectively handling the distribution of QPM.

2.2. The nursery act for quality control is implemented.

2.3. The key stakeholders of the QPM system are using quality control mechanisms.

AFIP responds in this action line to the development of relevant skills and capacities among key stakeholders (mainly nursery owners and their associative structures) for establishing and promoting an effective QPM system.

related to objective 3:

3.1. The nursery owners are organised at Upazilla, district and national levels and they actively promote the marketing of QPM.

3.2. The competitiveness of the nurseries has increased; more employment is created.

3.3. The capacity of the poor to use and manage QPMs has increased.

AFIP responds in this action line to the development of relevant skills and capacities among key stakeholders and beneficiaries for achieving an adequate productive performance in the Agro-Forestry value chains (relation to SCD's CS 2008-2012).

2.4 Strategies and approaches

AFIP's *main approach* is obviously to support the development of a solid national QPM system in the Agro-Forestry sector. This involves a long-term improvement and distribution scheme for market relevant species and varieties.

Specific strategies of AFIP are:

- *A clear poverty orientation* will be strengthened in the agendas of the partner entities (research institutions, nurseries and QPM distribution agents).
- *AFIP will be integrated more strongly into a joint strategy for livelihood development with the other two projects, LEAF and SAAKTI, that are active in the promotion of Agro-Forestry value chains.* The aim is to ensure a good flow of QPM and technical support from nursery associations (service providers) to community organisations (farmers). The

opportunities for the establishment of fully integrated long-term strategy beyond 2010 among these projects (joint goals and approaches) is to be analysed during the present phase; the proposed joint cooperation model, see in annex 6.

- *The private sector's involvement* (processing industry, seed growers and traders) in QPM multiplication and distribution is to be promoted. Private companies can get active in the cooperation with the public sector (e.g. with BFRI) for collecting and distributing genetically pure seeds, or for developing input markets.
- *A gender approach among the project partners* will be further strengthened by fostering respective mainstreaming concepts and by offering opportunities for the exchange of relevant experiences. AFIP will provide specific technical trainings to women nursery owners and workers; they are playing an important role in running nurseries as family businesses.
- *The DRR concept* will be further integrated where applicable. Agro-Forestry species are often important resources for protective measures in rural productive infrastructures.
- *Sustainability is to be secured at different levels* mainly through a national QPM development strategy that aims at diversifying Agro-Forestry towards marketable and profitable production schemes for small farms. The nursery owners and their associations can share such schemes going for similar (business oriented) plans in their own operations.

3 Target groups

The direct beneficiaries of AFIP are farming communities with small and marginalised Agro-Forestry producers in 45 districts (will be extended to 55 districts). Within its working areas, AFIP will include QPM nursery owners and local service providers at community level. The diversification of the rural production systems will benefit the extreme poor (landless) due to increased labour opportunities in farms and nurseries. The project will directly and indirectly benefit approximately 600'000 households.

Through its national partners (research, extension and marketing entities), AFIP achieves in fact a country wide coverage in promoting QPM for small producers.

4 Partners and Project management

4.1 Implementing agency

IC is mandated with the implementation of the three projects within the Agro-Forestry chain (LEAF, SAAKTI and AFIP). A project team with strategic support of IC's Delegation Office in Dhaka facilitates all steps of planning, implementation and monitoring of the project; it specially enhances the networking among the key partners of the Agro-Forestry sector.

4.2 Partnership and role of national / international entities

AFIP / IC have established long term partnerships with all key stakeholders in Bangladesh's QPM Agro-Forestry sector (research, production, extension, distribution and marketing). Two national NGOs, the Bangladesh Rural Advancement Committee (BRAC) and Proshika², will play an active role in a country wide promotion of nursery associations. Governmental and private entities are involved in the extension of Agro-Forestry schemes.

AFIP is in contact with the International Centre for Research in Agro-Forestry (ICRAF) and the Commonwealth Centre for Scientific Research Organisation (CSIRO) in order to provide improved germplasm for the development of relevant varieties (including technical support).

4.3 Project Management Team and joint Coordination

AFIP's project team consists of a coordinator (reporting to IC's delegate), four technical professionals and a finance/administrative officer. Nine field based technical service providers support the partner organisations' capacity development and monitor the field activities. A coordination cell is responsible for the overall management of the three Agro-Forestry projects (see Annex 7). Technical backstopping by the Katalyst project (business service markets), are

² Proshika is one of the biggest NGOs in Bangladesh, specialised in social mobilisation mainly for rural (agricultural) extension systems. A specific importance is given to women's empowerment. Proshika is active all over the country.

mobilised when relevant. The steering of the project is done within the coordination cell at the strategic level and in the regional coordination offices at field level, where project partners and beneficiaries have access to participate in planning (demand orientation) and follow up on results. Nursery associations participate in the project's steering at regional levels (are affiliated for that to the four regional coordination offices); the regional coordinators assure a bottom up feed back to the strategic management in the coordination cell.

5. Resources

The total cost borne by SDC for AFIP's 2nd phase amounts to 1.5 million CHF. Important contributions will be made by public partners (research, extension and distribution) and by private stakeholders (e.g. nursery associations). Detailed budget of TA-1, see in annex 3.

		2008 (08-12)	2009 (01-12)	2010 (01-03)	Total
TA-1	Programme Cost	570'000	720'000	190'000	1'480,000
TA-2	External review		20'000		20'000
	Total Budget CHF	570'000	740'000	190'000	1'500'000

6. Overall assessment

The project is well placed and aligned with Bangladesh's PRS. It has clearly identified the gaps, constraints and opportunities in the Agro-Forestry sector which is an important part for boosting up pro-poor growth in rural areas. SDC and IC have a comparative advantage in the Agro-Forestry promotion based on the long standing and validated experiences which are clearly recognised by the key stakeholders (public and private). Moreover, IC can count on considerable in-house capacity as well as on external contacts for providing professional backstopping to the national partners.

AFIP demands a high level of innovation and implementation capacities of national key partners; these can be strengthened jointly by the three Agro-Forestry projects (LEAF, SAAKTI and AFIP). The success of AFIP depends on the commitment and the professionalism of such partner organisations that are active in the Agro-Forestry sector (e.g. see chapter 4.3).

AFIP can be harmonised on the mid- to long-term with endeavours of other development partners that are active in related sectors; its national coverage is an interesting potential of the project. Possibilities exist in the cooperation with a new IFAD financed project of the government on developing the national agricultural technology system (research and extension) and with programmes that support the enhancement of micro-finances in rural areas.

7. Monitoring and evaluation

The current steering system with SDC will be maintained (quarterly and annual reviews). AFIP developed the tools for monitoring the activities jointly with the partner organisations; joint field visits are continuously realised. The project will have to further develop methods and tools with LEAF and SAAKTI for a joint outcome monitoring at farmers level.

A external review will be conducted in 2009, coordinated with the evaluation process of LEAF and SAAKTI in order to define possible joint strategic approaches beyond 2010.

8. Proposal

For the reasons presented above, we apply for an amount of

CHF 1'500'000.-

to be released. This commitment is to be debited to the Framework Credit of CHF 4.2 billion for the Continuation of Technical Cooperation and Financial Assistance to Developing Countries according to the Federal Decree of 18 December 2003.

The respective payments arising from this commitment are to be debited to the budget of the SDC, Credit A2310.0287, Development cooperation Designated Actions.

The required financial resources are contained within the budget and the financial spending plan of the organisational unit responsible at SDC, and take into consideration the decisions of the Federal Council with respect to the 2004 Programme of Budget Cuts.

Annexes

- 1 Minutes of the Phase 1 decisions in the Operationskomitees
- 2 Logical framework
- 3 Detail budget
- 4 Institutional analysis
- 5 Context and Risk and Opportunity analysis
- 6 Linkages within the three Agro-Forestry Value Chain projects
- 7 Organisational set-up
- 8 Map of Agro-Forestry Value Chain Programmes in Bangladesh
- 9 Checklist regarding Strategy 2010
- 10 Project Data Sheet

Logical framework (according AFIP's project document)

Goal	Impact	Indicators	Risks, potentials and Hypothesis:
<p>Improved well-being of rural poor and extreme poor based on increased income and employment through improved agro-forestry production as a result of a systematic national programme of quality planting material (QPM) development and distribution involving key stakeholders (public, private)".</p>	<p>A sustainable national development & distribution system of QPMs for agro-forestry species contributes to improve economic opportunities of the rural poor.</p>	<ul style="list-style-type: none"> ○ All relevant stakeholders (public and private) active towards their mandates ○ The developed and distributed QPMs address the national demand and are appropriate for the poor ○ The income & employment generated through using the QPM of agro-forestry species 	<p>Ownership of the stakeholders (Public & private) towards the national programme</p> <p>Natural and human made disaster</p> <p>Political will</p>
<p>Objective 1 Further strengthening and institutionalisation of demand-driven research to develop improved quality planting materials of fruit, timber and other associated species as well as their management technologies.</p>	<p>Outcomes</p> <p>1.1 The research institutions develop breeder level seed and seedling sources of the fruit, timber and associated agro-forestry species that meet the national demand and are suitable for the poor</p> <p>1.2 The research institutions develop appropriate and affordable management technologies for fruit, timber and other associated agro-forestry species for the poor</p>	<ul style="list-style-type: none"> ○ At least 5 suitable fruit varieties developed by the involved research institutions ○ At least 10 multiplication and production technologies developed by the involved research institutions ○ Number /size of seed orchards, plus trees and seed production areas ○ Demand and supply volume ratio 	
	<p>Outputs</p> <p>1.1.1. Sources of genetically improved seeds of commercially important timber species are established to meet the demands of the nursery owners.</p>		

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| 1.1.2. Improved varieties of associated agro-forestry species are identified for specific regions and breeder level seed sources are established. | <ul style="list-style-type: none"> ○ Number of region specific associated agro-forestry species/varieties identified ○ Number of established seed sources |
| 1.1.3. A wide range of appropriate varieties of fruit trees and their multiplication and management techniques are developed as per demand of the market and suitable for poor farmers | <ul style="list-style-type: none"> ○ Number and quality of varieties developed ○ Number and relevance of multiplication and management techniques |
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Objective 2

Further expansion and consolidation of the QPM distribution system for fruit trees, timber trees and associated species (spices, medicinal plants...) and establishment of effective quality control mechanisms for the same

Outcomes:

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| 2.1. Networks between the nursery associations, stakeholders managing foundation orchards and breeders are more effectively handling the distribution of QPM | <ul style="list-style-type: none"> ○ Number of stakeholders actively involved ○ Level of satisfaction on effectiveness and efficiency of the distribution system |
| 2.2. The regulation of the nursery sector has started with the approval of a nursery act by the government. | <ul style="list-style-type: none"> ○ Number of rules implemented and level of implementation |
| 2.3. Stakeholders are using temporary quality control mechanisms | <ul style="list-style-type: none"> ○ A coordinated mechanism developed and agreed by the stakeholders ○ First Result quality control mechanisms |

Outputs:

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|---|--|
| 2.1.1. The breeding, foundation and local level mother tree orchards (fruit trees) better match the demands of the nursery owners | <ul style="list-style-type: none"> ○ Number of breeder orchards, foundation orchards and local orchards |
|---|--|

- 2.1.2. The public and private sources of quality seeds for timber trees better match the demands of nursery owners
 - Demand and supply ratio
 - Number /size of quality seed sources owned by public and private sectors
- 2.1.3. The public and private sources of quality seeds for associated agro-forestry species (medicinal plants and spices) better match the demands of nursery owners in Rajshahi division
 - Demand and supply ratio
 - Number /size of quality seed sources owned by public and private sectors
- 2.1.4. Functional linkages are established between the stakeholders of QPM production and distribution chain
 - Demand and supply ratio
 - Number of interactions and exchanges between stakeholders
- 2.2.1 A nursery act, jointly developed by stakeholders, is approved by government and enforced
 - Approved nursery act
 - Number and type of stakeholders involved
- 2.3.1 Stakeholders have taken quality control initiatives in a coordinated way
 - Number and type of initiatives taken
- 2.3.2 The nursery owners' associations operate annual participatory nursery quality audit for their members
 - Various grades of nurseries
 - At least 15% nurseries improve quality annually

Objective 3

Promotion of agro-forestry nursery sector (value chains) driven by private sector to generate economic opportunities for the poor

Outcomes:

- 3.1 The nursery owners are organised at Upazilla, district and national level and actively promote the nursery sector
 - Level of satisfaction of the individual members towards their organisations
 - Number, types and effects of initiatives taken by organ. nurseries

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|--|--|
| 3.2 The competitiveness of the nursery value chain has increased | <ul style="list-style-type: none"> ○ Additional values added ○ Financial volume of the sector |
| 3.3 The capacity of the poor to use and manage QPMs has increased | <ul style="list-style-type: none"> ○ Volume of increased income/assets ○ Level of skills |
| Outputs: | |
| 3.1.1. The nursery associations are organised at Upazilla and district level throughout Bangladesh along a national platform | <ul style="list-style-type: none"> ○ At least 55 district and 350 Upazilla associations ○ A national platform is functioning |
| 3.1.2. The nursery associations have established functional linkages with relevant actors from the public and private sector | <ul style="list-style-type: none"> ○ Number of interactions and exchanges between stakeholders |
| 3.2.1 The nursery owners have acquired a good understanding of the nursery value chain and its constraints | <ul style="list-style-type: none"> ○ Number and relevance of interventions taken by nursery entrepreneurs |
| 3.2.2 The availability of services and inputs for the nursery value chain has increased | <ul style="list-style-type: none"> ○ Number of services, inputs and users ○ Level of satisfaction on services and inputs |
| 3.2.3 Nursery enterprises have increased in size and number and have improved in quality | <ul style="list-style-type: none"> ○ Number of nurseries ○ Level of satisfaction on produced QPM |
| 3.3.1 Affordable and suitable QPM are available for the poor at local level to meet their demands | <ul style="list-style-type: none"> ○ Number of QPM (varieties/ species) sold to the poor ○ Demand / supply ratio |
| 3.3.2 Nursery owners are providing relevant advisory services to the poor | <ul style="list-style-type: none"> ○ Number and types of services provided / number of nursery owners ○ Level of satisfaction of the clients |
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Context and Risk analysis

In general the country's economic conditions are more favourable than the social situation. The present political context is perceived as moving towards pro-poor conditions and the government is expected to establish a just and corrupt-free society. The interim government is working on reforms of major areas for better socio-political and economic conditions of the country.

Poverty is diminishing slowly and women's participation in society and politics is improving. The GDP growth improved to 6.5% in the current year. The project areas are participating in this growth and development. Bangladesh's market for agricultural products in general seems to be almost unlimited – factors are that a growing middle class in both urban and rural areas has an increasing purchasing power and that export becomes more feasible despite difficult legal framework. When driving through rural areas and wherever a new road connection is in place, new and growing markets for a variety of products can be observed, be it local markets or wholesale markets. Within this context, the promotion of demand-led research and extension for the poor and the extreme poor will make a substantial change in crop agriculture, livestock, poultry, etc. for the profit of small and marginal farmers, poor and extreme poor.

- **There is a certain lack of motivation and interest of the national institutes** to work for marginal farmers and poor. With the help of a government policy on coordination among the national and regional institutions, the project will continue to collaborate with the national extension and research institutions for developing QPM and its distribution.
- **Research findings are not transferred and disseminated at field level** due to lack of pro-poor oriented systems. Currently, local level farmers are not benefiting from these researches. The project will strengthen its collaboration with the national institutions, promote and provide support to the national institutions and the national technical committee for better transfer of knowledge and information.
- **Both Rajshahi and Sunamganj are poorer and vulnerable** than other areas of Bangladesh. Natural calamities and shocks may affect the plantation of agro-forestry at CBOs level, which will slow down the existing dynamics and motivation of CBOs. Under these circumstances, the will for buying QPM could be affected both by other priorities or fact that development organisations overflow aid in terms of free plant distribution. However, the local nurseries are realistic solutions to the needs of community households, and should mitigate that risk.
- **Continuous flow of subsidies** from donors might distort market principles and create an unhealthy competition between the SDC efforts and private efforts. The project will use subsidies smartly for short periods to avoid market distortion. The project will also seek to promote regional platforms of coordination between stakeholders and development organisations for ensuring dissemination of sustainable and commercial good practices.
- **Exclusion of extreme poor and women** from market activities and economic development process is a potential risk that might appear in accessing commercial services. Special attention will be given to the extreme poor to mitigate respective risks.
- As the AFIP project cell (or delegation of IC) has **no direct control over the partner organisations**, the progress of the project may not happen in the desired direction and speed. The project will take the advantage of the commitments of partners expressed in the work programmes and in the memorandum of understanding, based on which a participatory monitoring and review process will be launched and implemented.
- Since the AFIP support to the partner organisations would be generally supplementary to their other sources of fund (especially govt. sources), the implementation of the desired activities by the latter might be delayed, or otherwise affected, if they do not get the **contributions from the other sources adequately and in a timely manner**. For

this reason, AFIP funds are provided as a start-up resource for a certain initiative of a partner organisation with the expectation that the latter would eventually take up and maintain the initiative/activities with funds mobilised from the government or other sources.

- The **coordination and collaboration between the national research and development agencies** mandated for the development and distribution of QPM (e.g., BARI, BAU, DAE and BADC for fruit trees and BFRI and FD for timber trees) is particularly weak. These organisations have not yet shown enough commitment for improving collaboration between/among them. There are instances where staff of research institutions and those of extension agencies allegedly avoid working with each other. During this phase, support would be given in order to revitalise the national technical committee, the government approved platform for coordination of research and extension (both government and non-government) intuitions.

Opportunities:

- Nursery owners – and, increasingly, general farmers - are aware of the potential benefits of QPM – thus forming the basis of a huge potential market for it with substantial price differentials. This has long been established by the project identification and planning missions for FTIP and AFIP and has been further confirmed by the recent study on nursery associations throughout Bangladesh.
- There has been a growing thrust and commitment by the government for strengthening research and extension activities on horticultural and agro-forestry crops. The government has been allocating funds to the research institutes and extension agencies at an increasing rate from revenue budget for this purpose. The government has also been actively promoting tree-planting programmes (planting of fruit trees, timber trees, medicinal plants by general public and institutions) involving all relevant agencies including NGOs. The national institutions are, therefore, eager to strengthen QPM development and distribution programmes and to collaborate with other actors for this purpose.

AFIP working Areas

