Swiss Agency for Development and Cooperation

Mid Term Review of the

SDC Bangladesh Project

Samriddhi

Phase 1
August 2010 to July 2013

Final Report

Zurich and Dhaka, 12 July 2012

Andreas Tarnutzer
Rubaiyath Sarwar
Table of contents

1 Introduction 3
2 Samriddhi in brief 5
3 Progress assessment in Component 1 6
4 Progress assessment in Component 2 11
5 Poor, extreme poor, gender and DRR 13
6 Partner assessment 14
7 Project design and monitoring 18
8 Project organisation and finances 20
9 Overall conclusions 21
10 Overall recommendations for the future 24
11 Recommendations up to mid-2013 26
12 Recommendations beyond mid-2013 28
# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFIP</td>
<td>Agro-Forestry Improvement Partnership</td>
</tr>
<tr>
<td>BMO</td>
<td>Business Membership Organisation</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
</tr>
<tr>
<td>CIC</td>
<td>Community Information Centre</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>DAE</td>
<td>Department of Agricultural Extension</td>
</tr>
<tr>
<td>DLS</td>
<td>Department of Livestock Services</td>
</tr>
<tr>
<td>DoF</td>
<td>Department of Fisheries</td>
</tr>
<tr>
<td>DRR</td>
<td>Disaster Risk Reduction</td>
</tr>
<tr>
<td>E&amp;I</td>
<td>Employment and Income</td>
</tr>
<tr>
<td>HH</td>
<td>Household</td>
</tr>
<tr>
<td>HID</td>
<td>Human and Institutional Development</td>
</tr>
<tr>
<td>ILGS</td>
<td>Improved Local Government Services</td>
</tr>
<tr>
<td>LEAF</td>
<td>Livelihoods, Empowerment and Agroforestry</td>
</tr>
<tr>
<td>LED</td>
<td>Local Economic Development</td>
</tr>
<tr>
<td>LSP</td>
<td>Local Service Provider</td>
</tr>
<tr>
<td>LSP-B</td>
<td>Local Service Provider Business</td>
</tr>
<tr>
<td>LSP-T</td>
<td>Local Service Provider Technical</td>
</tr>
<tr>
<td>M4P</td>
<td>Making Markets Work for the Poor</td>
</tr>
<tr>
<td>MRM</td>
<td>Monitoring and Results Measurement</td>
</tr>
<tr>
<td>MSE</td>
<td>Micro and Small Enterprise</td>
</tr>
<tr>
<td>MTR</td>
<td>Mid-Term Review</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organisation</td>
</tr>
<tr>
<td>P/EP</td>
<td>Poor and Extreme Poor</td>
</tr>
<tr>
<td>PGA</td>
<td>Participatory Gender Analysis</td>
</tr>
<tr>
<td>PKSF</td>
<td>Palli Karma Sahayak Foundation</td>
</tr>
<tr>
<td>PNGO</td>
<td>Partner NGO</td>
</tr>
<tr>
<td>PSMU</td>
<td>Project Support and Management Unit</td>
</tr>
<tr>
<td>SAAKTI</td>
<td>Sustainable Access to Agroforestry Knowledge, Technology and Information</td>
</tr>
<tr>
<td>SDC</td>
<td>Swiss Agency for Development and Cooperation</td>
</tr>
<tr>
<td>SPA</td>
<td>Service Providers’ Association</td>
</tr>
<tr>
<td>UDMC</td>
<td>Union Disaster Management Committee</td>
</tr>
<tr>
<td>UP</td>
<td>Union Parishad</td>
</tr>
<tr>
<td>UZP</td>
<td>Upazilla Parishad</td>
</tr>
<tr>
<td>VC</td>
<td>Value Chain</td>
</tr>
<tr>
<td>VFFP</td>
<td>Village and Farm Forestry Project</td>
</tr>
<tr>
<td>WP</td>
<td>Ward Platform</td>
</tr>
</tbody>
</table>
1 Introduction

The Samriddhi project is part of the Employment and Income (E&I) Domain portfolio of the Bangladesh programme of the Swiss Agency for Development and Cooperation (SDC) and is implemented by Helvetas Swiss Intercooperation.

Samriddhi originated out of a merger of two predecessor projects, LEAF (Livelihoods, Empowerment and Agroforestry) and SAAKTI (Sustainable Access to Agroforestry Knowledge, Technology and Information), which started in 2004 and became increasingly complementary in approach and set-up. An external review of LEAF and SAAKTI carried out in June 2009 recommended to merge both projects in order to be able to work in a more systemic and programmatic way and achieve gains in efficiency and effectiveness. In order to support the merger from two projects into one and to establish a common project culture, it was decided to rename the project into Samriddhi (‘prosperity’ in Bangla).

Its first phase (internally classified as LEAF Phase 3) will last from August 2010 to July 2013; the phase budget is CHF 8.35m. The project goal is to contribute to sustainable well-being and resilience of poor households of Rajshahi and Rangpur Divisions, as well as Sunamganj District in the North of Bangladesh through social and economic empowerment.

The project is based on the impact logic that (i) if public and private services for business development are available, poor people are empowered and capacitated to access these services, and that (ii) if an enabling environment for pro-poor economic growth exists, poor people can generate additional income and overcome their poverty situation in a sustainable manner. Samriddhi applies a combination of a market and value chain development approach, under the label Making Markets Work for the Poor (M4P) with Human and Institutional Development (HID) and aspires to reach around 1 million households through its interventions by July 2013.

Mid-term review (MTR)

A Mid-term Review (MTR) was scheduled in May 2012 as the merger of two earlier projects and a stronger push towards the M4P approach has implied institutional changes at different levels. The MTR was to learn from the past and produce information for important steering decisions for the remainder of the phase and beyond. It was to be guided by a strong results focus particularly looking at effectiveness, efficiency and sustainability. A core input to the MTR was the preceding internal Self-Assessment by the project and its core partners1.

The main objectives of the MTR were as follows:

1. Assess project results achievement, strategic orientation and organisational fitness to deliver according to objectives specified in the Project Document and revised LogFrame for Phase 1;
2. Make recommendations for the remainder of Phase 1 based on objective 1;
3. Analyse possible scenarios for a next phase of Samriddhi with a particular focus on sustainability of systemic changes induced through the project so far.

The MTR took place between 14 May and 27 May 2012. Field visits were organised to Rajshahi, Bogra and Sunamganj, where the mission interacted with the Project Support and

Management Unit (PSMU), the regional project teams as well as a range of public and private sector actors and partners.

Project clients were interviewed, either individually or in groups, from the milk, goat, fruit, duck, medicinal plant, cotton craft, chicken and beef fattening value chains. Wherever possible, the team split up in order to be able to cover more ground.

In Dhaka, several rounds of meetings were held with SDC representatives, the PSMU, Helvetas Swiss Intercooperation as well as with project staff of Katalyst (ILGS), Sharique and the Sharique MTR team. The mission would especially like to acknowledge the excellent logistical support provided by the project team and Helvetas Swiss Intercooperation.

Any errors or omissions in this report are of course the sole responsibility of the authors.
2 Samriddhi in brief

Samriddhi operates in the north-western Rajshahi and Rangpur Divisions and the northern Sunamganj District of Bangladesh. The project does not aim at full coverage in these regions. Instead, its areas of operation were identified as follows, building to a large extent on the predecessor projects LEAF and SAKTI:

• First, out of the 135 Upazillas in the area of operation, 2 new ones were added to the 56 Upazillas where LEAF/SAAKTI had already been active;

• In these 58 Upazillas, 211 Unions were identified of which 168 dated from LEAF/SAAKTI (out of a total of 1350 Unions);

• In the selected 211 Unions, all 1899 Wards are being covered. Of these, 655 or 35% are new, i.e. were not part of LEAF/SAAKTI.

• Total overall coverage of Samriddhi is thus around 17% of the Rajshahi and Rangpur Divisions and the Sunamganj District; total population in the Samriddhi areas is approximately 1.2m households or around 6m people.

Project interventions are separated into two main action lines or components that follow, to a large extent, the previous specialisations of LEAF and SAKTI.

• Component 1 applies the Making markets work for the poor (M4P) approach in twelve value chains to allow poor and extreme poor men and women to make use of improved employment and income generating opportunities facilitated through value-chain and enterprise development, and to have sustainable access to quality services (information, skills, technology, etc.).

To increase demand for services, the project facilitated the formation of producer groups; the groups are known under the label Micro and Small Enterprises (MSE)²; several MSEs together have formed MSE networks.

To improve service supply, local service providers (LSP) have been selected and trained to provide fee-based advice to producers and, increasingly, also act as commission agents for input suppliers or collection agents for larger traders. Most are technical LSP (LSP-T) that have specialised in one (or more) value chains; some are business LSPs (LSP-B) that promote linkages with traders, etc. Facilitated by the project, the LSPs within an Upazilla have formed service provider associations (SPA) as platforms to promote and protect their professional interest.

• Component 2 applies a Human and Institutional Development (HID) approach to allow poor and extreme poor men and women to define, manage, and lobby for their own development priorities and secure access to a more enabling environment for their livelihood improvements.

The main implementing mechanism under component 2 are the 1899 Ward Platforms that either have evolved from earlier CBOs and Cluster Platforms (dating from the LEAF-SAAKTI periods) or were established in the newly added Wards. The 18 partner NGOs are most active and have concentrated their resources in component 2.

---

² The discussion whether the Samriddhi MSEs can really be called enterprises or should not rather be named groups or even cooperatives was not pursued further, as it became clear that the label "MSE" has been fully established among the project clients in the field.
The original Samriddhi ProDoc logframe was revised in September 2011 to allow better capture of process and system-related changes by linking interventions on market system level with changes at beneficiary level through result chains. The revised logframe is now being used for progress monitoring and reporting. For a discussion of the new logframe, please refer to chapter 7.

3 Progress assessment in Component 1

Targets

The main outreach target for Samriddhi is to reach 1,020,000 households or agricultural production units\(^3\). This overall target has to be further divided into three main client types:

<table>
<thead>
<tr>
<th>Client type</th>
<th>Remarks</th>
<th>Phase target</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) MSE members</td>
<td>As part of total 4500 MSEs(^4)</td>
<td>230,000</td>
</tr>
<tr>
<td>(2) Individual producers</td>
<td>Not MSE members, but within Samriddhi Unions(^5)</td>
<td>470,000</td>
</tr>
<tr>
<td><strong>Total direct clients</strong></td>
<td></td>
<td><strong>700,000</strong></td>
</tr>
<tr>
<td>(3) Indirect clients</td>
<td>Individual LSP clients, outside Samriddhi Unions(^6)</td>
<td>320,000</td>
</tr>
<tr>
<td><strong>Total clients</strong></td>
<td></td>
<td><strong>1,020,000</strong></td>
</tr>
</tbody>
</table>

Interestingly, the distinction between the smaller number of direct clients that are members of an MSE (type 1) and the majority of non-MSE members (i.e. individual producers of type 2) is not part of the standard reporting and became only clear to the mission after discussions with the team on their MRM system.

Economic impact figures (%-increases in income, assets and savings) are collected from a 500 households' sample of the first and second type, i.e. MSE members and non-members.

Progress so far

Progress against targets

According to the latest available figures (status December 2011), the current progress under component 1 is as follows:

<table>
<thead>
<tr>
<th>Outreach</th>
<th>Phase target</th>
<th>Baseline</th>
<th>Added</th>
<th>Total Dec 2011</th>
<th>% of target</th>
</tr>
</thead>
<tbody>
<tr>
<td>HH direct</td>
<td>700,000</td>
<td>295,000</td>
<td>145,000</td>
<td>440,000</td>
<td>63%</td>
</tr>
<tr>
<td>HH indirect</td>
<td>320,000</td>
<td>90,000</td>
<td>157,000</td>
<td>247,000</td>
<td>77%</td>
</tr>
</tbody>
</table>

---

\(^3\) The MTR uses, throughout the report, slightly rounded figures for easier comprehension.

\(^4\) The target is to form 4,500 MSE by the end the project and, on average some 50-52 persons will be involved with each MSE, which is equivalent to around 230,000 households.

\(^5\) Individual producers who receive support and services from SPA/LSP for production and marketing related activities.

\(^6\) No data collected on (unlikely) MSE membership; no disaggregated information available on income or other related issues.
As of December 2011, around 3300 MSEs and 116 MSE Networks were created. On the service provider side, 2450 LSPs are active and one SPA exists in all 58 Upazillas. As such, the project looks well underway to reach its outreach target at the end of the phase, as the December 2011 figures were compiled after approximately half of the phase period. However, a few cautionary remarks need to be made:

- Setting up new MSEs and acquiring new LSP clients may slow down after the initial enthusiasm has worn off and the 'low hanging fruits' have been picked.
- Interestingly, the growth in outreach achieved since the start of the project (i.e. new clients added) is larger (in absolute and relative figures) for indirect clients (type 3) than for direct clients (types 1 and 2). The reasons for this surprising fact remain unclear and were not analysed or discussed in the progress reports.
- No information was readily available on the differences in performance between MSE members (type 1) and non-members (type 2) in the Samriddhi Unions. Consequently, it is not possible to prove the additional benefit of joining an MSE (to justify the project’s and the clients' investments in MSEs).
- A substantial number of LSPs (1500 out of 3900) are not member of an SPA; as the reasons for this have not been investigated, it is also not possible to assess the specific merit of joining an SPA (to justify the project’s and the LSPs investment in them).

In relation to the **output target** achievements, it has to be stated that the mission found it difficult to interpret the figures from the 24 indicators (most also disaggregated) related to outcome 1 that the MRM system produces. In short, we have been drowning in data and numbers and were not always able to see the forest for the many trees. Overall, the situation is assessed as follows:

In most output indicators, the outlook is positive for the project to reach its targets. Some core indicators, however, seem critical and will require special efforts in the remaining period. These are foremost:

- Poor, extreme poor and women economically active in MSEs (target 40%, current 21%)
- MSEs that implement their business plans (target 80%, current 46%)
- MSEs that are able to cover 50% of their finance requirements (target 70%, current 38%)

**Qualitative progress assessment**

Samriddhi intervenes in a diverse portfolio of 12 value chains in four regions; five are newly selected, while seven are being continued from the LEAF-SAAKTI period. The two predecessor projects intervened in: (1) vegetable (Rajshahi, Rangpur, Bogra), (2) medicinal plant (Bogra), (3) open water fisheries (Sunamganj), (4) fruit (Rajshahi), (5) milk (Bogra and Rangpur), (6) duck (Sunamganj) and (7) cotton crafts (Rajshahi, Bogra and Rangpur).

The five new value chains under Samriddhi are (8) chicken (Rajshahi, Bogra and Rangpur), (9) beef (Rajshahi, Sunamganj), (10) goat (Rajshahi, Rangpur), (11) jute crafts (Rajshahi, Bogra) and (12) plant crafts (Rajshahi, Bogra, Rangpur, Sunamganj).

The inclusion of the five new value chains has widened the outreach to extreme poor, poor and women; while continuation in the older value chains was found to be relevant for deeper impact within the value chains. Women constitute 70% of producers in cotton craft and chicken, 71% in duck and 77% in goat. Extreme poor and poor constitute more than 60% in chicken, duck, goat, as well as the cotton, jute and plant craft value chains. Furthermore, it can also be observed that the new value chains have more impact on employment than the
older ones (see also the charts in chapter 5). It can thus be concluded that the inclusion of the new value chains has improved effectiveness of the project with respect to reaching the extreme poor, poor and women.

Other examples for good strategic moves by Samriddhi include (i) expanding medicinal plants to Rajshahi and Bogra based on the good experiences made during LEAF and SAAKTI, as well as (ii) to phase out from mature markets (for instance from the vegetable value chain in Rajshahi) and move instead to other regions (Bogra, Rangpur and Sunamganj).

Field findings and qualitative impact studies conducted by the project reveal sustainable changes in the value chains: producers in almost all the value chains benefit from improved access to markets and increased provision of public and private business development services. Much of this can be attributed to the fact that local service providers or LSPs – started under SAAKTI – are increasingly embedded with the public and the private sector extension system.

The following table summarizes examples of generic symptoms of market dysfunctions, the underlying constraints for the dysfunctions and the systemic changes in the value chains that Samriddhi successfully introduced.

### Examples of systemic changes stimulated by Samriddhi

<table>
<thead>
<tr>
<th>Symptoms of market dysfunctions</th>
<th>Underlying Constraints</th>
<th>Systemic Change Stimulated by Samriddhi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of knowledge on agricultural and veterinary inputs and their usage</td>
<td>Weak private and public sector extension services reaching the last mile</td>
<td>The MSEs, LSPs and the SPAs are increasingly recognized and used by the private sector for the promotion of their inputs and the public sector for extension services</td>
</tr>
<tr>
<td>Lack of access to market (both forward and backward linkages)</td>
<td>Poor volume of production per producer reduces the producer’s capacity to have more direct access to the market</td>
<td>LSP-Bs organized the producers into farmer groups (MSEs) and acted as market brokers for bulk purchase of inputs and bulk sales of produce. LSP-Bs acted as catalysts for the establishment of collection centres; organised and funded by traders, producers and the project.</td>
</tr>
<tr>
<td>Lack of access to local resources</td>
<td>Low voice of the extreme poor and poor; social norms and local politics acting against the poor</td>
<td>Ward Platforms are recognized by Union Parishads, increasing the voice of the poor and their participation in local decision-making.</td>
</tr>
</tbody>
</table>

LSPs are the most innovative and promising element of the project with the best sustainability potential. Most can earn a living from service charges from producers (not from the project anymore) and gain additional income from commissions; however, differences between value chains are substantial: livestock performs best, while for some LSPs, for instance in the three crafts' value chains, service fees and commissions are only a side income.
SPAs are accepted players in liaising with the public and the private sector. LSPs finance SPAs as anchor organisations and organisers of skill development and for recruitment of new LSPs. However, a substantive part of the SPA budgets still derives from project funds. The SPA related vision is that they would expand horizontally into neighbouring unions and vertically into networks of different Upazillas. The mission heard about horizontal expansion but vertical expansion is yet to take place.

A fairly large number of national and regional private sector companies are partnering in project activities; the current number is 33 companies and 6 regional traders, in addition to many local traders. These private actors are increasingly active and so far have financed 38% of systemic project interventions.

Samriddhi was thus generally successful in building on the inherited arrangements of farmer groups or MSEs, LSPs, and SPAs for sustainable results. Most of the MSEs in the value chains are thriving and are on growth curve. All clients and client groups interviewed showed high degree of satisfaction when discussing their personal before-and-after-project conditions.

**Emerging issues**

The project’s primary approach was to build on the business development service providers or local service providers (LSPs) that were developed by SAAKTI. Samriddhi deepened its impact on the LSPs by strengthening the Service Provider’s Associations (SPAs) across the project territory to develop and manage the LSPs and to liaise with the public and the private sector. Also, the project transferred responsibility of developing the MSEs and the MSE networks to the LSPs. Therefore, in this model the farmers and the business service providers have mutually reinforcing business relationship that makes the model effective for sustainability. Besides, the project achieved efficiency by focusing on sustaining the business development service model.

However, it can be argued that this focus on MSEs and LSPs has caused the project to be rather myopic about market systems. The market systems of the value chains that the project tries to address involve a complex network of public and private sector actors, which include intermediaries, like input retailers, traders, veterinary service providers, amongst many. While the project does promote relationships between farmers or producers and trade intermediaries, it relies again on the LSPs and the SPAs to forge this relationship and facilitate contracts between the MSEs and the traders.

In the Samriddhi ‘model’, the main emphasis is on collective action, whereby a farmer belongs to an MSE and the MSE to an MSE network (would the term not have a negative connotation in Bangladesh, one could speak of a cooperative system). MSEs and their networks depend on LSPs and SPAs to connect to the market or the public sector extension system.

The underlying ‘model’ assumption is that if project support is withdrawn, LSPs with support from the SPAs will continue to form MSEs, driven by their financial interest to obtain fees and commissions. From a sustainability point of view, it is essential to understand whether the very fact that LSPs are endorsed by the project does boost up the confidence of farmers to form a group under the auspices of a local service provider. It will thus be of crucial importance to assess whether LSPs will be able to form new MSEs without selling the fact that they are endorsed by the project and local NGOs.

Most progress has been made with the input markets but the project is so far less successful with stimulating the output markets. In this context, the question arises why the project opted...
to work exclusively with LSPs rather than regular market actors like traders. Project staff argued that the LSP-Bs 'belong' to the communities and therefore have the credibility and local knowledge required to help farmer groups or MSEs. However, this concept relies heavily on pre-set solutions that require trainings, business plans, etc., for MSEs to be effective. It is unlikely that, without project support, such stringent procedures will continue to be followed. The project thus needs to critically evaluate the series of activities that it requires for its beneficiaries and should start trimming down on those that are not found to be essential, also in order to make Samriddhi more efficient.

The project team has stated that so far impact was less promising in jute crafts, plant crafts, cotton crafts and fisheries value chains. A rapid exercise conducted with the Bogra project team revealed that these are also the value chains where the LSP-Bs and LSP-Ts have had less impact as the need for fee-based services is limited unlike, for instance, in the livestock value chain.

Buyers in these lower impact value chains also do not need to provide embedded services like, for instance, in medicinal plants, since demand is not high enough to stimulate supply. A recent jute sector study by the national MTR consultant concluded that low demand in the national market is a major challenge for the promotion of jute products in Bangladesh. Buyers will therefore hardly be interested to share cost with the project to develop suppliers. This is to show that a regional project cannot influence the national market (in this case for jute); consequently, it would be more appropriate to drop the jute value chain from the portfolio.

The same can be argued for cotton and plant crafts where project scope is limited to facilitating linkages between traders and producers in some pocket areas but where wider scale or systemic impact is unlikely. Withdrawal of project support from these value chains should therefore not negatively impact the existing beneficiaries but would again increase project efficiency.

Irrespective of individual value chains, the MTR is of the opinion that the time has arrived to let the first batches of actors and organisations, i.e. those MSEs and LSPs that result from phase 1 and 2 of LEAF-SAAKTI, become independent from project support. After years of support they should now be capable to sustain themselves; were that still not the case, it may indeed never be the case, independent of what additional support is provided.

Finally, improved access to finance is one of the three outputs of component 1 in the revised logframe, along with related indicators. As mentioned, MSEs’ financing needs continue to be a constraint where the project still needs to make considerably more headway in reaching its target of 70% of MSEs being able to cover 50% of their finance requirements (and, by the way, where are the remaining 50% supposed to come from?). Samriddhi has started activities with a series of mobilisation workshops inviting MFIs, banks and private companies. Subsequently, limited progress was made, mainly by securing weekly or monthly instalment loans or interest free loans for selected value chain producers/MSEs. Individual and overall loan volumes are not reported and can thus not be commented upon.

However, individual success stories cannot overcome serious systemic constraints in finance access for farmers. Bangladesh Bank policy dictates that commercial banks provide subsidized agricultural loans, but the fact that these loans are not collateralized but based on personal guarantee makes them riskier and commercial banks earn lower interest on them. Consequently, there is no incentive for banks to lend and their response is to lend small
token amounts to placate Bangladesh Bank. Samriddhi will hardly be able to overcome this systemic constraint in the agricultural loan market.

4 Progress assessment in Component 2

Outcome targets and progress

<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Target</th>
<th>Dec 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Poor and extreme poor women and men feel represented by WPs</td>
<td>60%</td>
<td>46%</td>
</tr>
<tr>
<td>2.2</td>
<td>WP projects integrated in UP plan</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>2.3</td>
<td>P and EP women and men receive service and resources</td>
<td>50%</td>
<td>38%</td>
</tr>
<tr>
<td>2.4</td>
<td>Women WP members also members of strategic bodies</td>
<td>30%</td>
<td>11%</td>
</tr>
<tr>
<td>2.5</td>
<td>WPs in vulnerable areas adopt DRR measures</td>
<td>100%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Again, it was unfortunately not possible for the mission to really grasp the big picture from the numerous tables and innumerable figures given in the annual progress report 2011 (annex 2). Some summary information is given in chapter 3.2 of the progress report. The cursory look at all the tables leads to the conclusion that progress seems to be more or less on track in relation to the outcome indicators, with the exception of 2.4 (Women WP members become members of strategic bodies). Also, a core output indicator is lagging behind: the target for WPs to raise local resources for plan implementation is 100%; current progress is only 55%.

Qualitative progress

LEAF had already developed CBOs, which were later transformed into larger Cluster Platform units. But the Platforms still lacked strength to influence local policies and address social norms, primarily because they were not representative of the larger constituency or administrative unit, which is of interest to the policy decision makers. Samriddhi addressed this by ‘upgrading’ to Ward Platforms (WPs) that represent all households of a Ward through the different Para committees. Ward Platforms have been established in all 1899 Wards of the project area.

An internal grading exercise conducted by Samridhdhi has shown that some of the new WPs are not yet strong enough, especially when compared to the older ones dating back to LEAF and SAAKI periods. The new WPs were given a wide range of trainings directly by NGO staff and regular monthly meetings are being organised to build their capacities. Such extensive (and therefore expensive) capacity building efforts will be difficult to sustain without substantial project support.

Union Parishads (UPs) appreciate the WPs for improving the official annual planning meetings, the Ward Savas, and in particular to improve the delivery of the government's social safety net packages. WPs have easier access to the UPs and can participate in local decision-making. WPs have also successfully lobbied with UPs to address various value chain constraints and opportunities related to socio-economic and socio-political problems.

In brief, our findings suggests that the WPs, in particular the established ones, indeed strengthen the voice of the extreme poor and poor, improve participation of the communities in local decision making, improve access to social safety net programs, sensitise
communities for gender inclusion and disaster reduction and, to certain degree, improve functioning of the value chains by addressing constraints related to social norms, local infrastructure and power politics.

Emerging issues

According to the MTR team, the most critical issue is the lack of systemic thinking and sustainability considerations directed at component 2 activities, i.e. the WPs. To start with, coverage is scattered in that only certain Upazillas and within them again certain Unions were selected for intervention. Consequently, WPs exist in some Unions, in neighbouring ones not.

Furthermore, neither in the logframe nor in the annual plans and reports is there any mentioning of a systemic approach to address the underlying systemic constraint that could be summarised as 'lack of capacity of communities to participate in the local governance system.' What is therefore first and foremost required is a vision that, whatever is introduced in selected Unions, must be up-scalable to neighbouring Unions, then Districts and ultimately Divisions.

Related questions are: what is the ultimate purpose of the WPs? To have a few 'lucky' Unions where they function and deliver as envisaged? What about the other Unions? Does the WP (and Para committee)-based model have a realistic chance to become part of the formal government system (for instance, as institutionalised and mandatory preparatory process for Ward Savas)?

Ultimately, this lack of a vision for sustainable and mainstreamed WPs is a flaw in the project's design (that was probably 'inherited' from the predecessor projects). NGOs as the actual component 2 implementers will do their (good) job, but their job also ends when the WPs have been formed and are operational. Mainstreaming to other areas is not on their agenda and TOR.

The interviewed Union Parishad officials expressed the view that even though they do understand benefit and need for the WPs, it will not be viable for them to develop and sustain WPs on their own without external funding and support for organising the WPs.

Interestingly, Sharique also works through WPs, but understands them as temporary mechanisms to make the Ward Savas more effective. Both projects share the same training module and learning tools for the WPs. While this has increased overall efficiency, the difference in the goals of the two projects, implemented by the same organisation, sends contradictory signals to the external stakeholders.

The mission concludes that many of the 'old' WPs, whose members have been trained for years and were already involved in CBOs and cluster platforms, should now be in a position to sustain themselves; should this still not be the case any amount of further support will hardly change it.

The newer ones may not be as strong yet without continued support for capacity building by the project. As for component 1, the MTR therefore recommends as short term measure to stop supporting 'older' WPs and concentrates on the new WPs that require further capacity building. For the medium to long term perspective, however, a systemic approach will be required that focuses on institutional sustainability and mainstreaming potentials.
5 Poor, extreme poor, gender and DRR

Promoting gender equality as well as social inclusion of poor and extreme poor in economic development continues to be challenging as disparities persist and traditional role distributions hamper change. To measure project-induced change and impact in relation to social inclusion and gender, the Samriddhi MRM system collects disaggregated indicator data on gender and social strata of clients.

Poor and extreme poor

The overall project target for extreme poor and poor clients is 455,000, i.e. 65% of the 700,000 direct clients. Of these 60% (or 273,000) are to be poor and 40% (or 182,000) extreme poor. Progress achieved so far is good but uneven between the different value chains as illustrated in the next chart that shows the number of person days created at production level in fulltime equivalents (FTE) for the different value chains. The MTR team has compiled the graph based on information received from the MRM team.

Number of additionally created FTE person days: extreme poor/poor vs. other households

![Chart showing number of additionally created FTE person days for different value chains](chart.png)

Source: Samriddhi MRM system data

Evidently, the differences of poor and extreme poor participation are quite marked, both in absolute and relative numbers. Also evident is that job creation as such is highly uneven between the different value chains.

Gender

Samriddhi could build on the work of its predecessors. LEAF had already introduced different instruments, i.e. gender analysis, gender audit, development of gender focal points at project, partner and community levels, etc. SAAKTI promoted female LSPs in some value chains like poultry, vegetables and fruits. To address the critical issues of gender equality in enterprise development and access to service delivery, Samriddhi has adjusted the Participatory Gender Analysis (PGA) tool. The Gender Taskforce action plan includes a wide range of gender specific activities, from a gender audit to a pilot of market analysis with a gender lens.

End of 2011, close to half of the producers involved in MSEs were women. In terms of women's share of additional jobs created in the different value chains, the situation is as follows:
Again, they same differentiations emerge: some value chains produce little additional work, but what they produce profits many women (duck, chicken). Other produce a lot of additional work and also profit women (plant and cotton crafts), while still other value chains, like fruit and beef but also vegetables, produce good work but mainly for men.

On the service supply side, women membership in SPA and involvement in decision-making processes increased, even though the share of female LSPs remained unchanged at 21%. Income earned by women LSPs was still 50% lower than the income of male LSPs.

**DRR**

The DRR related output indicators for component 2 read as follows: (1) WPs plan and implement DRR activities; (2) People are aware of DRR related risks and vulnerabilities.

Pilot schemes were already initiated under LEAF based on which an experience capitalisation report was drafted December 2010; under Samriddhi these activities were adjusted and continued.

An initial assessment of the 1899 Wards did classify only 613 (or, somewhat surprisingly, less than one third) as being in the medium- or high-risk disaster categories. In these Wards, DRR plans were developed and approved; however, available funds are inadequate for implementing the planned ‘smart’ infrastructure projects.

The next step now has to be to ensure that DRR priority works identified by WPs are included in UP plans and funding channels, especially focusing on the Union Disaster Management Committee (UDMC) and the UP Standing Committee of Social Welfare and Disaster Management.

**6 Partner assessment**

**Government**

In terms of service provision and knowledge transfer to rural producers, there seems to be a common agreement that the public system cannot deliver enough as it is severely under-resourced for the task at hand; the situation is most extreme in Sunamganj. Part of the government system does freely acknowledge this fact. Many projects try to solve what has been termed ‘the last mile extension problem’ by creating a range of complementary
systems, including Samriddhi, Katalyst-ILGS, Katalyst-ICT, to just name the main Swiss funded projects.

LEAF and SAAKTI already had a long history of collaborating with Upazila offices of the Department for Agricultural Extension (DAE), Department of Livestock Services (DLS) and the Union Parishads in the project regions, which has been continued by Samriddhi. The relationships are rooted on mutual benefits and incentives. The line departments benefit from using LSPs to extend their outreach and achieve their targets more efficiently. On the other hand, WPs make the social safety net programmes more inclusive and efficient, as the UPs are able to use the WPs to distribute benefits to the really needy.

LSPs, SPAs and WPs thus effectively improve coordination and relationship between communities and public sector service providers. However, as stated above, the challenge lies in replication, scaling-up and ultimately institutionalisation. As next step therefore, a national level dialogue is required to assess the potential for the buying-in potential from the government's side to these innovations.

**NGOs**

Samriddhi partners with 18 local NGOs in the four regions. The project builds on the inherited relationship with many of these NGOs (for example Uddyog), which had already worked for the VFFP, LEAF and SAAKTI projects. Before it made its selection of PNGOs, Samriddhi has carefully assessed the potential partners. Two had since to be terminated for insufficient performance.

NGOs are primarily engaged for organising the WPs and train committee members to manage the WPs. Each NGO usually employs six field facilitators for WPs and only one field facilitator for SPAs, foremost for developing the business LSPs. NGOs therefore act as service providers to the project rather than collaborating partners to whom the project aims to transfer ownership of the interventions in the long run. Visited NGOs showed good technical capacities and had the required institutional relationships and local networks to play their role effectively. NGO staff has received regular training and the project organises bi-monthly coordination meetings with the PNGOs. Functional coordination and quality control mechanism are thus in place to ensure effective and efficient service delivery by the NGOs.

According to the ProDoc, the project is expected to phase out the NGO partnerships in the last year, i.e. about now. Given this, the project should already have started a consolidation phase and the process to trim down size, capacity and activities of the partner NGOs. However, from interaction with NGOs as well as project staff, it remained unclear whether this process has started yet.

**Private Sector**

Private sector partners for Samriddhi include three sets of actors, i.e. (i) the LSPs, SPAs, MSEs and MSE networks (ii) local traders and (iii) regional and national agribusiness companies. The project has formal contracts with 33 companies, which include some of the leading agribusiness companies in the respective sectors (for instance ACME and Square in herbal medicine, FNF and Popular Pharmaceuticals in livestock medicines, etc.).

The private sector partners are committed as is reflected by the fact that they shared 38% of the financing needs in 2011. The co-financed collection centres have made it feasible for producers and traders to trade in bulk; this resulted higher farm gate prices and more regular and easier market access; however, the replicability of the collection centres without any project support (currently still to the tune of 50%) remains to be proven.
Samriddhi has been successful in forming sustainable business relationships between national and regional companies and the LSPs and SPAs, and these collaborations are increasingly independent of project initiatives. Partner companies leverage the LSPs and SPAs to expand their retail network converting LSPs and SPAs into value chain intermediaries. It was reported that on average each SPA has business relationship with at least three private sector companies. Currently, LSPs income from retailing is still low in comparison to returns from business services (10-15% of the total monthly income of the technical LSPs).

It can therefore be concluded that if the project ceases to operate at this point, most relationships between private sector companies and LSPs and SPAs would sustain as LSPs and SPAs provide last mile outreach to the companies for distribution of their products. On the other hand, the relationship between farmers and LSPs will sustain because of the business services provided by the latter. Consequently, provision of retail services should not jeopardize the provision of business development services.

In retrospect, finally, it can be argued that a full-fledged M4P project would, instead of paying for the selection and training of SPAs (started in September 2010), have opted to partner with willing private sector companies to build the capacity of the SPAs. This would have ensured private sector ownership of the SPAs (and LSPs) right from the beginning.

Other SDC projects

Sharique

Sharique, also funded by SDC and implemented by Helvetas Swiss Intercooperation, conducts joint activities with Samriddhi. Both projects work on Ward Platforms and with Union Parishads and have established a common definition of WPs, expected roles of WPs and the support provided.

Still, various discussions have shown that conceptual differences exist. Sharique is a local governance programme aiming at increased citizen’s participation in the local governance process through improving the existing systems (for instance the Ward Savas). Sharique understands WPs as temporary community organisations, formed to make Ward Savas more effective. Samriddhi, on the other hand, perceives WPs as (at least semi-) permanent bodies for inclusive social and economic development.

Five of Samriddhi’s partner NGOs also work for Sharique. Of the 211 Shamriddhi unions, Sharique is working in 62 where both organisations form and support the same WPs. Tangible collaborations between the projects include Sharique’s facilitation of the formation of UPSC with particular focus on women, poor and extreme poor and Samriddhi using the LGSA tools developed by Sharique in its ‘own’ Wards.

According to Samriddhi, the collaboration has improved the inclusion of poor in its value chain and livelihood development programmes. Sharique also played a role to make the UPs more responsive to the needs of the most vulnerable people. In areas where both projects work together, it was observed that (i) WP plans are better integrated in the UP plans; (ii) people are more aware about Union Disaster Management Committee (UDMC) and its role, and (iii) inclusion of poor and extreme poor and women in the UPSC and Standing
Committees is much higher. Also, in Wards were Samriddhi conducted the LGSA exercises, people are more aware about local governance issues.\textsuperscript{7}

These positive findings suggest two things: the first is that both projects are more effective and inclusive in fulfilling their mandates if they collaborate rather than work separately. Secondly, and specific for Samriddhi, inclusiveness appears to depend on improved local governance, which is primarily Sharique’s mandate.

This leaves basically two options for the future: (1) Either Samriddhi incorporates the Sharique approach and activities on improving local governance in all its 211 Unions (with a new focus on Ward Savas), or (2) the current component 2 of Samriddhi is dropped and Sharique is put in charge of the entire local governance related line of activities – naturally closely coordinating with the ‘new’ Samriddhi that then exclusively can concentrate on value chain development.

The mission favours the second option as it promotes clarity of mandates and allows both projects to focus on a specific topic, Samriddhi on value chain development and Sharique on decentralisation and local governance. This preference is reinforced by the fact that only Sharique is strengthening the Wards Savas, the sole current local level planning mechanism with real sustainability potential, as it is officially part of the decentralised government procedures.

\textbf{Katalyst}

Improving Local Government Service Delivery (ILGS) is a cross-sector of Katalyst, the large M4P project jointly financed by DFID, Dutch Embassy, Cida and SDC. ILGS seeks to strengthen access to extension advice and services for poor farmers. It is co-implemented by Helvetas Swiss Intercooperation. The ILGS programme is implemented in 22 Districts and 116 Upazilas. It overlaps with Samriddhi in 11 Districts and 31 Upazillas in the Sunamganj, Rajshahi and Rangpur areas.

While Samriddhi promotes SPAs and LSPs for effective service delivery at the last mile, ILGS focuses on DAE, DLS and DoF and promotes their collaboration with BMOs (local association of traders, input suppliers and market intermediaries) to increase service delivery. In 20 pilot locations it has started so-called public-private initiatives (PPI) to increase collaboration between the departments and the private sector BMOs. Of the total 1650 Samriddhi MSEs in the ILGS Upazillas, 270 (or 16\%) are involved in ILGS, and of the total 31 SPAs (one in each Upazilla), 24 are involved in ILGS. Unfortunately, no information is available from both projects on the exact nature and respective merits of this collaboration between these two ‘parallel’ last mile systems.

The same holds true for the Katalyst cross-sector ICT activities. No information was readily available on (i) the number of Community Information Centres (CICs) in the Samriddhi areas and whether there is any type of collaboration between SPA and LSPs on the one hand, and the CICs and their business promoters on the other hand, nor (2) on the use of the ‘Katalyst’ agri-help lines and their software packages operated by large mobile phone companies.

\textsuperscript{7} Interestingly, the recent Sharique MTR only passingly discusses Samriddhi: “SAMRIDDHI and SHARIQUE collaboration shows positive results; community participation and UP accountability shows to be higher in UPs where they work together.” No further details are given on why the results are positive.
Conclusions on collaboration between SDC projects

Several attempts are being made by different projects or project components to complement the under-resourced public system to reach the last mile:

- Samriddhi’s approach is to develop SPAs/LSPs/MSEs and the WPs;
- Katalyst ILGS aims to extend public service provision by linking them with farmer groups through traders associations and public private partnerships;
- Katalyst ICT works with CICs/business promoters and agri-help lines.

Next to the narrower circle of SDC projects, other donors are also active in extension. Samriddhi has compiled a list that shows extensive engagement of a number of projects in most of the value chains in which it is intervening. Many of these projects provide direct service delivery, thus weakening the hands-off and viability-based principles of Samriddhi (and Katalyst).

Clearly, the different extension systems are not sufficiently leveraging on each other. This risk has been foreseen when designing Samriddhi and mitigation measures were planned; however these were apparently not followed so far. Currently, projects insufficiently cooperate but, more importantly, information is neither available on the cost-effectiveness of the different extension approaches, nor on the farmers' preferences for one system as opposed to others.

The MTR therefore recommends to SDC, as funder of several 'parallel' extension systems, to launch an independent investigation, based on a sample survey in overlapping regions, that analyses: (i) farmers knowledge of different extension channels, (ii) their perception, (iii) usage, and finally (iv) the benefits they draw from them.

7 Project design and monitoring

The project's logframe and monitoring system have been adjusted to follow the DCED standard model on monitoring and result measurement (MRM). This called for extensive rework of the original logframe to adapt it to the new standard; the exercise took around 11 months. While the new system is a clear improvement, the MTR still needs to highlight certain inconsistencies in the current system. This relates in particular to:

1. Duplication in log-frame level indicators: The illustration below shows that the indicator at the goal level is the total number of farm households or enterprises (direct and indirect beneficiaries). The very same indicator is then repeated under outcome 1 which is improved access of producers in the market system:

2. Enterprise performance indicators appear in the results chain but are missing in the log-frame: The above illustration also shows that, even though the project has put an

---

8 “It was always a goal of the projects to coordinate their activities with development partners. However, different mandates and agendas of the different development partners often lead to unwillingness to cooperate and may cause the discontinuation of alignment activities and synergies and thus stop any coordination efforts. This risk will be mitigated by the implementation of a coordination system and measures between relevant projects funded by SDC (e.g. AFIP, Sharique, Katalyst) and the establishment of policy dialogue with other concerned stakeholders.” (Samriddhi Prodoc, risk chapter, p.38)
extensive series of indicators in the logframe, the logframe does not report on crucial enterprise level performance indicators (i.e. production and productivity), although these are shown in the results chain.

3. Enterprises (farmers or target clients) and service providers (market systems) appear at the same level in the log-frame even though they are correctly separated in the results chain: The second screen shot below shows that, in connection with the duplication in indicators, the log-frame reports on the enterprises and the service providers at the same level. In the results chain the enterprises are correctly put at the outcome level while in the log-frame they still exist at the output level. As a result of it, three of the four output level indicators are intended to measure impact on MSEs or farmers, while one is intended to measure impact on service providers, i.e. SPAs and LSPs. It is, however, essential that service providers are put at a lower level in the logframe, as is the case in the results chain.

To correct these three main inconsistencies without undergoing a second major exercise, it is recommended that the project introduces a Purpose level in its log-frame, which measures change at enterprise level, while the outcome and output levels can be dedicated to service market changes as shown below:

- **Purpose**: Improved enterprise performance measured by increased productivity and production
- **Outcome**: Improved/increased access to and use of services (business, financial and technical)
- **Output**: Increased private and public capacities for service provision

Besides, it is advisable that the project trims down the number of indicators by reducing overlaps and using, where possible, simple but meaningful proxy indicators. Currently, the project measures 11 indicators at the goal level, 8 indicators at the outcome level, 24 indicators for outcome 1, and 8 indicators for output 2; together this adds up to 51 indicators to be monitored, most of which also segregated for gender and economic strata.

As stated above, the MTR had major difficulties in assessing where the project really stands despite being 'overfed' with monitoring tables and data. On the other hand, essential information is not readily available, for instance (i) on collaboration between SDC projects, or (ii) on reasons for farmers not being an MSE member, or (iii) LSPs not joining an SPA.

The aim of a streamlined monitoring system would be twofold: (1) monitoring itself would be less resource intensive and, (2) at the same time the system would become more focused and produce information (instead of large amounts of data) that can be put to use for strategic project steering. It is therefore recommended that the project mobilise external assistance and additional resources to streamline and simplify the logframe and the monitoring system.
8 Project organisation and finances

Organisation and management

It is certainly an important asset that the project has its head office 'in the field' and not, like many other projects, in Dhaka. This allows for proximity with important partners and makes implementation more efficient as travel can be minimised. On the other hand, the geographical distance to Dhaka may explain to a certain extent why the project is not as present in the national level discourse ("selling the success stories in Dhaka") as would seem possible.

Apart from supporting staff, the Samriddhi team consists of 26 professionals. The Project Support and Management Unit (PSMU) consists of 6 professional staff; in addition four Regional Offices were established, each staffed by 5 professionals. The team is well qualified. Various team members have been part of the LEAF and SAAKTI projects for many years. The team gave the impression that the two former corporate cultures have successfully grown together, though individuals' internal specialisations still follow past experiences.

The Project Steering Committee consists of SDC, the implementer (i.e. Helvetas Swiss Intercooperation) and project representatives. It meets regularly and, as visible from the minutes, is a good forum for constructive strategic and operational discussions.

Finances

The Samriddhi Phase budget is CHF 8,299,000. Allocation of administered project funds between the two components is uneven; the respective budgets are CHF 1,261,800 (or 32%) for component 1, and CHF 2,664,100 (or 68%) for component 2. This distribution largely mirrors the former budget volumes of LEAF and SAAKTI.

Interestingly, the relative time spent on discussing the two components with the team as well as the MTR field programme would have led to expect a reversed budget allocation between component 1 and 2, i.e. much more funding allocated to component 1.

The main reason for this perceived discrepancy between budgets and 'importance' is certainly the fact that component 2 has been largely outsourced to the partner NGOs while the project team focuses foremost on value chain development. Administered project funds' budget for component 2 includes overheads and establishment costs for the NGOs – increasing of course the de facto project overhead.9

Spending was behind schedule when the accounts were closed last time in December 2011. After 17 of 36 phase months (i.e. almost 50% of the phase period), total expenditure reached CHF 3,192,758, or only 38% of the overall budget. SDC informed that under-spending would also be an issue with other projects; the exact contribution of the continuously appreciating Swiss Franc is not known.

However, while 2011 annual progress report shows only 79% expenditure in the CHF budget, it reached 97% in the BDT budget. This demonstrates that the project's budgeting and expenditure was sound for 2011; exchange rate variations are outside its purview.

---

9 The Uddyog contract contains 85% overhead cost and 15% programme cost (SDC-Samriddhi Project; Budget Uddyog for 2012 & 2013; xls file).
9 Overall conclusions

This chapter summarises findings and conclusions of the MTR by utilising the standard DAC set of evaluation criteria and by addressing the main questions posed in the TOR.

Relevance and effectiveness

Samriddhi is relevant. Rural development and poverty alleviation remain crucial challenges in Bangladesh, despite solid GDP growth and countrywide improvements in productivity and crop diversification. The project works in areas where poverty rates are substantially above national averages.

The most promising part of Samriddhi’s interventions is component 1 where an innovative approach to extension was developed through a combination of commercially motivated LSPs/SPAs and MSEs. However, other projects are testing other extension approaches; it remains to be proven that the Samriddhi one is indeed superior.

The project is well on its way to meet most of its targets at impact, outcome, and output levels. Challenges remain foremost in economic participation of disadvantaged groups and financing of MSEs and WPs. These areas naturally should receive particular attention in the remaining phase period.

The chosen approach of Samriddhi is certainly ambitious with targeting at the same time (1) economic growth through M4P, (2) social inclusion through HID and M4P, and (3) governance through HID, plus (4) DRR (again through HID). Such a wide range of objectives and approaches to be achieved by one project naturally leads to a certain level of dissipation of efforts and focus.

It is ventured that a single-focus project, say on growth, would have been more effective and yielded wider and deeper, i.e. more systemic, results. This is not to say that both lines of activities (M4P and HID) were not mutually reinforcing. The point is that the reinforcements were not substantial enough. It is therefore argued that in future the component 2 activities would better be handed over to Sharique, allowing Samriddhi to concentrate on (inclusive) value chain development.

The project has invested substantial efforts and resources and consequently made good progress in including the extreme poor and poor, also by the inclusion of new value chains. Progress is, however, uneven and concentrates in certain value chains. In relation to gender, progress was better with social inclusion than with economic empowerment. Overall, the MTR is of the opinion that the project still lacks clear strategic guidance of whether to put growth over inclusion or vice versa.

In the one third of Wards that are endangered, good DRR plans have been developed; however funds are lacking for implementing the required infrastructure. As with any local level planning exercise, such a situation may adversely affect enthusiasm of the local people for future similar exercises.

Synergies with other projects need to be expanded and deepened, in particular with the Katalyst extension activities. So far, an insular view prevails (as is the case in most projects that need to achieve their respective targets). Samriddhi collaborates well with Sharique in their common Unions and the WPs have clearly contributed to better and more transparent service delivery by the government. In how far the WPs were indispensable for value chain development is less clear; they certainly played a role in ensuring inclusion.
**Efficiency**

The MTR assesses the efficiency of Samriddhi as **good**. As mentioned, this refers first and foremost to the fact that the head office is 'in the field' and not in Dhaka. The MTR assumes that efficiency must be better in component 1 than 2, given the range of activities implemented in relation to budget allocated. Efficiency-related question marks emerged in particular from the comparatively high establishment costs of the **PNGOs** (that are accounted as administered project funds).

Efficiency increases are possible if the project withdraws from value chains where systemic change is unlikely as the demand in the market for products is low (jute, crafts').

The **MRM** operated by Samriddhi is still being developed and as such something of a construction site. While it is certainly good to aim at the evolving DCED standard, resources and cost-benefit considerations should also play a role. Currently, (too) many data are collected but still insufficiently digested, summarised and converted into strategically useful information. There seems to be substantial room for simplification and improvement for which the project should seek external support.

It finally has been mentioned that untapped potential exists to disseminate the project's **success stories** among the wider development community in Bangladesh; this should happen less through glossy brochures but instead by participating in core seminars, etc. On the other hand, it is appreciated that Samriddhi is the topic of a very recent M4P Hub case study.

**Sustainability**

Sustainability of the institutions that were set-up under Samriddhi or its predecessor projects can certainly be qualified as the **core challenge**. More progress was made in component 1 where the prospects look brighter in terms of institutionalisation and sustainability, as the actors and organisations are driven by their own commercial interest. The MTR's doubts about the sustainability and mainstreaming potential of the WPs have been elaborated in some detail above.

**Impact**

According to the latest available figures from December 2011, Samriddhi had by then achieved 63% of its direct and 77% of the indirect outreach to its overall **target** of 1,020,000 clients. The number of groups created and active service providers are substantial: so far, 3300 MSEs and 116 MSE networks exist, as well as 2450 LSPs and 58 SPAs, in addition to the 1899 WPs.

Apart from the absolute figures, some interesting **analytical questions** still need to be answered (why is growth better with indirect clients; performance contrasts between MSE members and non-members; reasons for LSPs not joining SPAs, etc.). Answers to these questions will allow fine-tuning the approaches for a probable second phase (or successor project) in particular in relation to MSEs and MSE networks as well as LSPs and SPAs.

Annex 4 in the ProDoc contains a very well argued **Institutional Analysis** that identifies ‘who does – who pays’ and ‘who will do – who will pay’ for the different market functions. As stipulated in the document, it is expected that, as the project matures, ownership of activities in the market systems will be handled more by the relevant market actors rather than the project, eventually leading to a complete exit of the project and withdrawal of support. Whatever then would continue to function and grow would be considered **systemic impact**.
However, when applying an overall perspective, the project is yet to seriously embark on this route. Transition of ownership cannot be assessed by the level of commitment shown by partners through cost or resource sharing alone. It has to be assessed by the mechanisms put in place by the project for complete withdrawal of support.

If therefore capacities of certain number of people and organisations were built and it is found that some are weak, the approach should not be to conduct grading exercises to identify the weaker ones and further build their capacities. At any given point of assessment, some will be weak and would require additional support, thus necessitating perennial project existence.

On the contrary, the project should rather seek to develop a system that focuses on stronger actors and organisation with a real potential to survive in a post-project situation. The MTR is therefore recommending to now graduating the older and long supported LSPs, SPAs, MSEs and WPs into *independence*. Time will tell which ones will survive and thrive.
10 Overall recommendations for the future

The MTR team is convinced that Samriddhi has been successful in ensuring inclusive economic development by addressing certain systemic constraints, foremost related to weak private and public sector extension services for reaching the last mile, as well as lack of participation of poor, extreme poor and women in economic development and local decision making.

In most of the value chains in which the project intervened, the relationship between the value chain actors, as well as the performance of public and private sector service providers have improved. Furthermore, it has successfully integrated its core institutions and actors, i.e. the LSPs, SPAs, MSEs and MSE networks, with the market. Samriddhi has also ensured that, throughout the process, its interventions are increasingly market driven rather than project driven.

These successes provide a good basis to build upon in the future. However, additional strategic considerations are required and preparations have to be made for the next steps.

Strategic considerations

From its findings, the MTR has concluded that the Samriddhi model for inclusive livelihood development has a good potential to sustain in the 'old' regions; the same is still to be proven for the 'new' regions where the model is being implemented; albeit it is predicted that the capacity and the strength of the model may reduce to adjust to the markets' capacities in the different value chains.

For SDC to engage in Samriddhi (or a successor project) beyond mid-2013 seems only worthwhile if substantial and widespread scaling up of the model will be possible and ownership of local actors ensured. The MTR is of the opinion that progress achieved so far does justify further steps to develop the most viable version for transferring ownership and reach scale.

The zero option is therefore discarded at this stage, as the potentials to replicate the model at regional and even national level should not be missed. The zero option would mean that the learning from these activities is not put into test and practice. The MTR is positive that with changes and further developments as proposed below, the Samriddhi model has a solid chance to be replicated at much wider levels.

It has been mentioned that de facto Samriddhi works with two generations of types of actors and institutions, i.e. those that date back to the LEAF/SAAKTI time and the ones that were newly created at the start of Samriddhi. These two types hold the key for further development of the model and approach:

1. The long-term clients have to demonstrate their viability and sustainability in a no-project-support situation;
2. The more recent clients have to prove that the model is replicable in a comparatively short period of time (albeit still with substantial project support);
3. For authentic widespread up-scaling, the existing 'package' of model and approach needs to be further simplified so that it can be implemented in less resource intensive condition; also it will have to be fully owned and driven by non-project actors, i.e. the private and public sector.
In relation to the overall SDC domain portfolio, the Samriddhi model, if indeed successfully replicated and upscaled, can ideally complement the other major SDC projects and thus improve the overall impact of the SDC portfolio:

- **The M4C project** is by definition territorial. If implemented successfully, it will provide sustainable solutions to improving livelihood of the char dwellers. But similar interventions might not be as effective or pertinent for similar value chains in the mainland region.

- **Katalyst**, that exclusively applies the M4P methodology, usually prioritizes growth over inclusion. Therefore, it does not essentially provide keys to solving systemic constraints related to social power, inclusion and local economy.

This therefore leaves a role and space for an inclusive value chain development project with upsaling potential beyond specific areas and conditions.

In order for Samriddhi to be able to (i) play the envisaged complementary role to M4C and Katalyst, as well as to (ii) become widespread throughout the country, the MTR proposes an process consisting of three-steps with two future added phases. Two further phases are proposed as the envisaged development of a simple standardised model and approach is not possible in the remaining part of the current phase that only lasts around one year from now.

**Proposed three-step process**

1. **Remaining part of current phase (1 year)**
   - Demonstrate viability and sustainability of model (old clients)
   - Verify replicability of model (new clients)
   - Adjustments of existing model and approach for improving impact

2. **Follow-up phase (2 years)**
   - Test and pilot the transfer to
     - Private sector
     - Public sector
   - Design simple standard model and approach for dissemination

3. **Final phase (3 years)**
   - Large scale mainstreaming and dissemination of standardised model and approach
   - Fully driven by private sector and, if committed, public sector

Of course, the three-step approach is proposed under the assumption that SDC shares the overall positive assessment of the work done by Samriddhi so far and agrees that it is worthwhile to further invest in the emerging model with the aim of replication, upsaling and substantial coverage increase – ultimately up to the national level.

Should this not be the case, it is proposed to follow the recommendations given below for the remaining period of the phase and eventually add a last and brief exit phase to ensure sustainability of as many project interventions as possible within the current Samriddhi areas.
Equally, should the follow-up phase not produce convincing results in terms of a simple package that meets significant interest from the public and/or private sector, the final phase would not be implemented.

11 Recommendations up to mid-2013

Given that de facto less than one full year of project activities remains available, the proposed adjustments have a two-fold aim: (1) to improve effectiveness and impact of ongoing activities, but even more so (2) to prepare the ground for the future. With the limited time available, it is evident that the roadmap is rather tight and the recommendations should be taken up as soon as possible in order to ensure their timely completion.

1 Demonstrate viability and sustainability of the Samriddhi model

The MTR is of the opinion that the time has come to withdraw support to long-time clients, i.e. those MSEs, SPAs and LSPs, as well as WPs, which have received several years of support by now. In doing this, the viability of the advocated model and approach will become clear and its sustainability can be assessed under, so to speak, real life conditions.

The project has already started this process through a capitalization exercise for the SPAs (and WPs). Equally, the planned withdrawal process with the PNGOs should now be initiated.

Evidently, it will be important to carefully monitor how the newly independent bodies and actors will manage this different situation; results will be important inputs for planning future approaches and activities.

2 Verify replicability of the Samriddhi model

The Samriddhi successes and their potential sustainability are more pronounced in the areas where the project could build on years of learning, experience and ‘local presence’ of its predecessor projects VFFP, LEAF and SAAKTI, where it has extended the scope to M4P, HID and DRR.

These ‘old’ areas have to be clearly distinguished from the newly added two Upazillas, 43 Unions and 665 Wards at the beginning of Samriddhi.

It is in these new areas without the ‘legacy’ of the preceding projects and substantially less intervention time that the project needs to provide solid proof for the replicability of its model and approach. In other words, the newly added areas have to be thoroughly analysed in respect of (1) how successful the replication was where LSPs, SPAs, MSEs (and WPs) had to be created from scratch, and (2) how effective and efficient the project was in these new areas during the current phase.

Based on the result of these analyses, a decision can then be taken whether model and approach have sufficiently matured to be upscaled with considerably fewer resources than were available throughout the years for the ‘old’ batches of actors an organisations.

3 Adjustments for improving impact

Analytical work for adjusting the model

In order to further fine-tune and improve its way of working and the advocated model, the project should investigate and analyse during the remaining period the following issues relating to its core bodies and actors:
• LSPs: reasons for not joining an SPA
• SPAs: need and willingness to form/join SPA networks, but also to (fully) fund them
• MSEs: reasons for LSP clients to not join an MSE
• MSE networks: reasons for MSEs to not join networks

Value chain selection and development
The MTR supports the project in its ongoing fact collection and analysis process in order to reduce the number of value chains it operates in. It can be expected that fewer chains will allow increasing depth, systemic change potential and sustainability.

To start with, a formal strategic decision should be communicated by SDC on how the project should weigh the different aims of (i) social inclusion or (ii) economic growth, when it comes to prioritizing value chains.

Thematically, the MTR supports the proposal resulting from the Self-Assessment to increase efforts in developing the output markets, where less progress could be achieved so far.

Monitoring and Results Measurement
Samriddhi is currently working on an attribution strategy. In order to complement this exercise, it is proposed to slightly adjust the logframe along the lines proposed in chapter 7, i.e. foremost by introducing a purpose level. It is also proposed to organise qualified external support for adjusting the logframe and MRM system.

However, a pragmatic approach is called for as adopting it now may pose some operational challenges, if the baseline does not include the necessary details required to make appropriate assumptions and proxies for the attribution.

It is further proposed to simplify the MRM as far as possible by reducing the number of indicators to the essential and relevant ones, i.e. by distinguishing between the ‘need to have’ vs. the ‘nice to have’ ones. In parallel, possibilities should be explored for defining proxy indicators to simplify data collection requirements.

PR exercise at central level
In order to address the diagnosed ‘under-selling’ of Samriddhi’s successes in the northwest and north, especially related to the LSP and SPA approach, the project should organise and/or participate in relevant seminars or conferences at central level where government but also the donor community should be invited.

Component 2: future for WPs
As stated, the MTR does not recommend to continue the Component 2 as specific action lines. Instead it is proposed to explore, jointly with or even under the leadership of Sharique, the best ways and means for achieving institutional sustainability and mainstreaming the social inclusion platform and mechanisms ‘within the system’ (including possible formal links to Ward Savas), even if the resulting WPs would be less ‘perfect’ but could instead be set up ‘everywhere’.

To this end, the following table summarises the proposed actions:
<table>
<thead>
<tr>
<th>Activity</th>
<th>Rationale for the activity</th>
<th>Expected Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional and national dialogue with the UP chairmen to determine the scope for scale-up and scale-up strategy of the WPs</td>
<td>Clearly the WPs have improved the public service delivery system. But interviewed UP chairmen were not sure whether the WPs can be developed or sustained through public or private engagement. NGO support was reported to be crucial in developing the WPs. This activity will help to determine scope and feasibility of replication of WPs through national intervention with LGRD and regional NGOs that have been engaged in developing the WPs.</td>
<td>(i) Scope of replicating the model through the public sector. (ii) Strategy and action plan for collaboration between the project and the NGOs</td>
</tr>
</tbody>
</table>

12 Recommendations beyond mid-2013

1 Follow-up phase (2 years)

The strategic direction for the project beyond 2013 depends on its strategic positioning. At present Samriddhi is stretched in too many strategic directions. It still carries the legacy of the BDS approach from VFFP, LEAD and SAAKTI projects and strives to ensure inclusion of the LSPs and SPAs that it inherited. It has evolved to be an M4P project and fuses Human Institutional Development or HID and DRR with it. All these approaches are put in practice in a set of value chains.

However, each value chain has separate market dynamics and systems and therefore different development needs. Given this, the LSPs, SPAs will not have similar effectiveness in all value chains (for instance jute craft as opposed to calf fattening). Similarly, DRR might not be essential in certain value chains (for example cotton craft) while it might be absolutely crucial in the flash flood prone regions in Sunamganj.

The project therefore needs to take up a clearer strategic positioning with respect to how it wants to achieve its development goals. Since it is proposed to scale up the model particularly for social inclusion and substantial wider coverage up of LSP and SPAs, it is essential that in the next phase the interventions are concentrated only in value chains or subsectors which have both social inclusion agenda and the potential for LSPs and SPAs.

The project should embrace M4P methodology for the next phase and does not need to integrate HID and DRR components separately. The M4P methodology keeps the scope for HID and DRR open if the value chain assessments reveal systemic constraints related to HID and DRR.

The core objective of the proposed follow-up phase is to determine the most viable option for transferring ownership of the model to the private and the public sector while maintaining its effectiveness. It is thus all about gradually reducing the role of the project and increasing the model's 'self-propelling potential'.

It goes without saying that the results of the viability, sustainability and validation exercises described above as well as the proposed approach adjustments during the current phase will provide essential inputs in approach and model to be piloted and tested on a larger scale.
The following table summarises the two proposed activity lines for the follow-up phase along with related rationales and expected outcomes:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Rationale for the activity</th>
<th>Expected Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Partnership with selected private sector partners from selected value chains to pilot scale-up of the model exclusively through the private sector</td>
<td>Given that some private sector partners, especially in the medicinal plant and livestock value chains, are increasingly engaging with LSPs, SPAs and farmer groups, Samriddhi should initiate a pilot to replicate the model exclusively through selected and willing partners. In this case, the partner and the project will co-invest on developing the LSPs but the partner will decide the territories, the scale and extent and the ownership of the LSPs, SPAs and the farmer groups. The project will have no direct influence or control on the development of the LSPs or SPAs.</td>
<td>The pilot will help to ascertain (i) whether the Samriddhi model is scalable through the private sector (ii) if yes, to what extent and under what circumstances and (iii) the impact of the model if it is developed and owned by the private sector</td>
</tr>
<tr>
<td>2) Partnership with the line agencies (DAE, DoF and DLS) to pilot scale-up of the model</td>
<td>The line departments recognize the need for the private business service providers and are working closely with them to extend the line department’s capacity to reach out to the farm households. However, the scope of the collaboration has remained concentrated in areas where Samriddhi is being implemented. The project will therefore initiate a regional and national level dialogue with the line departments to develop cooperation strategies. This will help the project to define the scope of replicating the model through the public sector.</td>
<td>(i) Scope of replicating the model through the public sector (ii) Strategy and action plan for collaboration between the project and the public sector</td>
</tr>
</tbody>
</table>

The decision whether to embark on a final phase evidently depends on the results of the monitoring of these pilot testing activities.

2 Final phase (3 years)

If indeed the follow-up phase is considered a success, a final phase is recommended for mainstreaming the approach and model to the full extent possible, preferably even to the national level.

This would constitute the last step to bring a process that has been started under SAAKTI and LEAF towards a successful end in terms of viable, effective, efficient, inclusive and in particular large-scale provision of service delivery in selected value chains.

The final phase would reduce the direct role of the project as far as possible and minimise project interventions to purely facilitating ones; it will be the private sector and, if interested and committed, the public sector that will drive and own the process.

As said above, this will require simple and fully standardised packages, which require minimum inputs (i.e. are adjusted to no-project realities) that produce maximum impact under the given conditions and are also implementable with a limited time frame.