



## Boosting food security for poor farmers

### Bangladesh: Netrakona Integrated Agricultural Production and Water Management Project

Netrakona district is bordered in the north by India and has a population of 1.9 million. One of the poorest districts of Bangladesh, it is highly vulnerable to flooding. Agriculture is the main economic activity and there is limited scope for the development of industry or the service sectors. About half the households make a meagre living from farming small plots of land (less than one hectare) but there is potential to increase the production of food and other crops by diversifying away from rice into vegetables and fruit. The eight-year project set out to boost the incomes and food security of small farm households and arrest their decline into marginalisation and landlessness.

Key insights from the evaluation include:

- **Lack of credit** for small farmers is a serious constraint to agricultural development and needs strengthening. Future interventions should address the additional risks involved (due to floods and drought) in lending for crop production, provide flexible loans for farmers given that their income is seasonal and they cannot make weekly repayments, and develop a viable and sustainable means of channelling funds to NGOs for on-lending to farmers.
- **Participation is the key** to people-centred development yet it was understood differently by various partners. Greater expertise and knowledge of participatory development and social mobilisation during the planning stages would ensure that sound concepts and implementation strategies are adopted from the outset.
- **Stronger project design** such as the flexibility to modify project activities during implementation, if necessary, would ensure greater impact. Future IFAD support should also ensure the existence of comprehensive baseline indicators and a dynamic logical framework to provide overall direction and focus to the project in terms of which interventions will work best and indicators against which to measure performance and impact.

## Main results

There is evidence that sustainable changes have been brought about by the project.

Assessing the effects of new technology and training, an impact survey used by the evaluation shows that 85 percent of respondents now use the skills and knowledge they received from training and will continue to do so. Farmers have developed orchards and vegetable gardens and are growing new types of vegetables, which provide increased yields and higher incomes. Between 1995 and 2000 the amount of land used to grow vegetables increased by 186 percent from 2,750 to 8,950 hectares. Ten years ago cauliflower and radishes were not available in local markets; today, a surplus is sold as far afield as Dhaka. In addition, new training and community centres facilitate communication on marketing issues or availability of social services. However, implementation was far from participatory: greater expertise in participatory development and group mobilisation is needed in future projects of this kind. Equally, the potential for livestock development should be given higher priority and where NGOs are involved in government projects more effective coordination between the two is vital.

## ► Freeing up credit for farmers

Thanks to the pioneering efforts of the Grameen Bank, microcredit is currently benefiting between ten and twelve million poor people in Bangladesh. Grameen does not, however, provide long term loans (which are what is needed for agricultural activities); rather it offers small loans for income-generating activities so that the borrower can begin repayments almost immediately. In attempting to strengthen agricultural credit, state-controlled banks have not been successful in reaching most of the six million small and marginal farmers (who own between 0.2 and one hectare of land) due to limited outreach and the lack of an effective supervisory mechanism. Moreover, the loan repayment rates are not high enough to guarantee sustainability without resorting to government subsidies, or increasing interest rates. NGOs, on the other hand, only lend to poor people who have no land at all or who own less than 0.2 hectares. They do not lend to farmers with between 0.2 and one hectare of land, 40 percent of whom in fact live below the poverty line and are extremely vulnerable to natural disasters and variable crop prices. These small and marginal farmers cultivate over a third of all farmland in Bangladesh and so collectively play a crucial role in ensuring national food supplies.

IFAD-supported projects have attempted to solve this dilemma but with limited success. In the Netrakona project, agricultural credit was channelled through the state-run Agrani Bank, which either lent directly to farmers or provided funds to NGOs who then lent to farmers. The Agrani Bank, however, lacked the staff and outreach to lend directly to farmers and most loans were disbursed late and never recovered. The bank also failed to adapt its traditional banking practices to enable the channelling of funds through NGOs, for example demanding collateral from small NGOs who lent to farmers without

insisting on collateral. Agricultural credit consequently only reached around 13,000 farmers out of a target of 42,000 and the system was unsustainable. Where farmers did take out loans, however, benefits included a reduced reliance on moneylenders. So too, farmers have increased production by increasing cropping intensity or renting extra land. Loans were also used to buy irrigation pumps and cattle and to invest in non-agricultural enterprises.

### Project data

Project cost	USD 13.72 million
IFAD loan	USD 8.86 million
Co-financiers	Government of Bangladesh (USD 2 million), World Food Programme (USD 1.59 million), beneficiaries (USD 1.27 million)
Implementing agencies	Department of Agricultural Extension, Bangladesh Water Development Board, Local Government Engineering Division
Co-operating institution	United Nations Office for Project Services
Loan effectiveness	January 1994
Closing date	June 2002

## People-centred solutions

The concept of participation was woven into every aspect of the project and was widely accepted by the project partners. Farmers' needs were assessed using participatory approaches; farmers were consulted on the research needed to resolve agricultural problems and trials were run on their land rather than in remote research stations. Incorporating a people-centred approach in government programmes – traditionally 'top-down' in management style – was an achievement. However, the concept of participation was viewed differently by different stakeholders and conflicting expectations led to confusion. Some saw participation as an end in itself that would lead to empowerment and sustainability, others as a means of achieving project objectives – providing feedback for monitoring and evaluation for example – whilst some did not think participation relevant at all. To facilitate change in rural organisations and institutions, IFAD needs to provide stronger guidance through technical assistance and to collaborate more effectively with partners that have a proven capacity in participation, especially at the planning and implementation stages. Fuller participation would also lead to real ownership of project activities by the beneficiaries.

## Better planning pays off

The project suffered from weak design, in particular a lack of coordination and integration between the different project components. In future projects of this kind, IFAD needs to include a more rigorous pre-project planning phase and ensure a deeper understanding of people's livelihoods before interventions are designed. Baseline data measuring the socio-economic status of the communities involved – of gender bias, poverty, livestock or income-generating activities for example – would have helped NGOs and beneficiaries to identify appropriate indicators for effective monitoring and evaluation. So too, a logical framework against which change and impact is measured should be an integral part of project design. Allowing for greater flexibility in the planning stages with regard to revising activities and budgets in the light of experience would greatly enhance impact in the long term. In addition, the omission of a budget to finance the planned formation of groups impeded impact. Local NGOs were to play a leading role in social mobilisation, but the late arrival of funds meant they only became involved towards the end of the project ■

### Further information

*The People's Republic of Bangladesh, Netrakona Integrated Agricultural Production and Water Management Project, Completion Evaluation, Report N° 1393-BD, July 2003, Office of Evaluation, International Fund for Agricultural Development, Via del Serafico 107, 00142 Rome, Italy. The full report and Profile are online at [www.ifad.org/evaluation](http://www.ifad.org/evaluation); email [l.daniel@ifad.org](mailto:l.daniel@ifad.org) or telephone +39 06 5459 2526.*