

JOBS Project

Final Report

November 2005

Job Opportunities and Business Support Project

Final Report

The IRIS Center at the University of Maryland

December 15, 2005

TABLE OF CONTENTS

INTRODUCTION AND OVERVIEW	2
SECTOR DEVELOPMENT PROGRAM.....	3
LOAN FACILITATION	6
INTERNATIONAL TRADE FAIRS.....	7
LOCAL TRADE FAIRS.....	8
CHAMBERS AND ASSOCIATIONS.....	9
INFORMATION AND COMMUNICATION TECHNOLOGY INITIATIVES	10
CISCO NETWORKING ACADEMY PROGRAM	11
ENABLING ENVIRONMENT FOR PRIVATE SECTOR GROWTH.....	13
TRAINING	15
MONITORING AND EVALUATION	17
LOCAL OUTREACH.....	18
FINANCIAL OVERVIEW	20

Introduction and Overview

The JOBS Project is a private sector development project implemented by the IRIS at the University of Maryland and funded by USAID to the amount of \$12 million. In operation from 1997-2005, JOBS has left behind a legacy as one of the most cost-effective, results-oriented donor projects working with micro, small, and medium sized enterprises (MSMEs) in Bangladesh.

The Project has approached private sector development through concurrent efforts in policy reform, loan facilitation, training, ICT human resources development, partnership formation, and export marketing support. JOBS is most renowned for its Sector Development Program, which pioneered the cluster development and linkage concept leading to an integrated approach to working with MSMEs while concentrating on the export development of a handful of high potential subsectors. The measurable outcome of this strategy has been significant. Since inception, JOBS has generated over \$100 million in domestic and export sales, trained more than 13,000 companies, educated over 32,000 entrepreneurs, generated over 40,000 jobs, and implemented over 1,000 projects and activities covering over 70 percent of the geographical area of Bangladesh.

The success of the JOBS Project can be attributed to a number of factors that include its years of experience in Bangladesh, its constant willingness to modify its approach as the new opportunities became apparent, and its decision to involve the active participation of bright and deeply committed young Bangladeshi professionals in all aspects of its activities. Such flexibility resulted in two periods of transition during which JOBS evolved to embrace its present, acclaimed approach to private sector development.

When JOBS began its operations in 1997, the focus was on mainstreaming microenterprises into the formal economy. Such a task was tackled by partnering with local NGOs/MFIs already working with microenterprises in an effort to improve the organizations' business development skills. JOBS worked with the partner organizations to develop production clusters of their microenterprise clients, provided technical and entrepreneurship training to the microenterprises, and offered training of trainers to ensure that the partner organizations could continue carrying out the strategy on their own. During this period, JOBS's efforts resulted in the training of more than 7,500 individual microentrepreneurs.

By the end of 2000, JOBS began to re-orient its attention towards the integration of micro, small and medium enterprises within national and global value chains. Although JOBS continued forming production clusters and training microentrepreneurs, the Project management team realized that the involvement of the private sector, rather than that of microfinance NGOs, with microentrepreneurs was a more sustainable option in that it established a direct marketing link for the entrepreneurs and enabled them to become a part of global supply chains.

Again in 2003, JOBS further refined its strategy to private sector development by adopting an integrated model that interlinked all facets of its previous approaches, but

this time within specific subsectors. This meant that JOBS worked with SMEs to form production clusters of microentrepreneurs working in a subsector, such as footwear, and provided them with technical training while at the same time assisting SMEs with the forward link through international trade fair participation, subsector specific market research, and business development training. This final approach to private sector development has been a proven success and has garnered national and international attention from other development organizations.

While the JOBS Project cluster and linkage model has gained the most attention, all facets of the project have contributed towards the creation of a vibrant private sector, an enabling environment for MSMEs, and increased export earnings for the country. The sections below provide a more detailed explanation of JOBS's achievements in each of its activity areas.

Sector Development Program

JOBS's unique sector development model entails a combination of skill development training and technology transfer, market linkages, and export assistance to stimulate growth and employment creation in specific subsectors. Since inception, the program has worked in 16 different sectors, including leather goods and footwear, home textiles, handicrafts, electronics, handmade paper, floor coverings, and personal protective equipment. A number of these sectors, such as handmade paper and personal protective equipment, were first introduced to the country as export options by JOBS.

JOBS has connected sector specific enterprises and grassroots workers to the global value chain in three ways:

- Establishing production clusters of grassroots microentrepreneurs linked with exporting SMEs
- Linking individual microentrepreneurs directly with lead buyers
- Assisting export firms with market research and international trade fair participation

In recognition of the fact that many small entrepreneurs face obstacles such as credit access, market and pricing information, new technologies, and worker capacity, JOBS's acclaimed cluster approach assisted grassroots entrepreneurs to work together, pull resources, and jointly produce for a lead buyer. JOBS facilitated the group formation of microentrepreneurs producing in the same sector, provided them with technical training in efficient production techniques and design innovation, and linked them with small and medium sized enterprises which then exported the products.

In this way, the microentrepreneur cluster members increased their capacity, negotiating power, and production quality, while the export enterprises acquired a guaranteed supply base – a necessity when entering foreign markets that prize reliability and efficiency. By initiating a relationship between the exporters and cluster members from the outset, the sustainability of the model was assured. Even now that JOBS has exited the scene,

embedded services are still available to the cluster members through their association with the larger export firms.

In other instances, JOBS worked directly with individual microentrepreneurs. The Project provided business development training and taught the entrepreneurs how to

Increased Income for MEs through Linkages

Raju Rahim, Golam Hossain, and Fazlu Mia are three micro entrepreneurs who used to produce shoes for the local market. Due to lack of working capital, they were about to downsize their businesses in 1999. At that exact time, JOBS started working in the footwear sector and took the opportunity to link the small shoe producers with a large exporter.

JOBS introduced these three micro entrepreneurs to one of the leading footwear exporters of Bangladesh for a possible market linkage. Through JOBS facilitation, the three entrepreneurs are now producing sandals for Apex Footwear. They have also developed their own factory in Shafipur, where they are jointly producing leather sandals for leading exporters. Their income has increased by 60%.

In order to expand their production unit to meet increasing orders, the JOBS loan facilitation unit also arranged a loan for them from Prime Bank. Raju Rahim, Golam Hossain, and Fazlu Mia are expecting to employ another 20 new workers with the help of this loan and the market linkage that has been established with leading exporters through JOBS assistance.

assess the market value of their products, develop selling skills, and implement advertising techniques. In addition, JOBS linked the entrepreneurs with larger firms looking for production partners, in much the same way that clusters were linked with exporters. Through participation in JOBS-hosted domestic trade fairs, individual microentrepreneurs also had the opportunity to showcase their products, gain access to urban markets, and make business contacts.

JOBS also worked with exporting small and medium enterprises (SMEs) to increase their market research skills in the international arena. This involved taking firms to international trade fairs in cooperation with the Export Promotion Bureau and assisting with product displays, pricing, and booth design. The Sector Development Program worked with local business associations and chambers to increase their capacity to provide market

information to their members, and maintained its own market information center in the JOBS Project office. Additionally, JOBS facilitated the formation of informal associations of small exporters who continue to share their experiences and provide each other with support.

Bangladesh's Handmade Paper Industry Benefits from JOBS'S Multi-level Cluster Approach

JOBS'S work with Bangladesh's handmade paper industry provides a prime example of how the program's unique cluster concept fosters success at all levels of the economy, from simple village handicraft workers using age-old technologies to exporters selling the resulting products at gift fairs in sophisticated world capitals.



At the top of the three-tier cluster approach, JOBS worked with Creation Private Limited, the leading exporter of handmade paper from Bangladesh. At present almost 110 people are employed in Creation's two production units, many of them underprivileged women. Women working in the cluster earn up to Tk. 4,000 a month, depending on their skill level.

Besides creating job opportunities, Creation's production techniques protect the environment by using industrial and natural waste products, further reduce poverty by using traditional, labor intensive technologies, and take advantage of indigenous resources, including jute and plant-based dyes.

The bottom tier of the cluster is the primary raw material production unit in the remote village of Shirajgonj, where JOBS has trained 50 women on the craft of handmade paper. Part of the paper they produce goes directly to the export market through Creation. The rest goes to Tongi, the middle tier of the cluster, where 30 women have been trained by JOBS to craft a variety of products, including holiday cards, notebooks, picture frames, gift wrap, photo albums, and writing paper.

To consolidate the whole linkage, JOBS facilitated Creation's participation in major international trade fairs, such as the Birmingham Gift Fair, and provided expertise in the development of the firm's promotional brochures and digital catalogue.

After JOBS's intervention and assistance, Creation Private Limited exported US\$200,000 worth of handmade paper and paper products, while local sales amounted to almost US\$80,000 during January-October 2002.

Loan Facilitation

Small and medium enterprises in Bangladesh consistently identify access to finance as the most serious constraint to their expansion. Most of them don't have the fixed assets required to qualify for bank loans and are unsure of how to effectively fill out complicated bank applications. With limited access to capital, SMEs consequently have difficulty meeting production requirements, hiring new workers, expanding to new markets, or surviving a bad business cycle. Many SMEs overcome capital scarcity and institutional hurdles by taking micro-loans from microfinance institutions (MFIs). However, MFIs often do not have the funds or the flexibility to assist SMEs to enter the mainstream economy through appropriately sized and spaced enterprise loans.

The JOBS Loan Facilitation Unit worked with local banks and financial institutions since 1999 to increase awareness of SMEs' contribution to growth and their high loan repayment rates. JOBS convinced a number of local banks and non-bank financial institutions to accept movable assets as collateral and to strengthen their organizational support to small and medium entrepreneurs. Through bank loan officer training, JOBS assisted mainstream banks to understand and finance the special needs of small enterprises. In this regard, Prime Bank, Basic Bank, and Social Investment Bank have worked extensively with JOBS to simplify SME lending. JOBS also facilitated the launch of the USAID Micro and Small Enterprise Development Program's Loan Portfolio Guarantee (LPG) in Prime Bank and National Bank.

At the same time that JOBS worked to strengthen financial institution capacity, the Project assisted SMEs to understand loan application procedures and to fill out forms correctly. JOBS also assisted clients to provide supplementary documentation such as business plans and financial statements. In addition, JOBS'S Loan Facilitation Handbook provided small enterprises with bank credit information, lending criteria, and lending procedures. JOBS did not guarantee the credit or share costs of SME loans, but acted as an initial screener, arranged appointments with the banks, and assisted the banks to verify the project viability of a given enterprise.

Under this strategy, JOBS successfully strengthened over 100 non-bank financial institutions and facilitated enterprise access to credit amounting to \$97 million. 3 local NGOs were also linked with commercial banks to strengthen the NGO micro credit support.

Loan Facilitation at a Glance FY 2000 – September 2005

Number of clients assisted	Finance in Tk. (Million)	Finance in US\$ (Million)
93 SMMEs	21.06	0.41
12 Associations	05.58	0.11
3 NGOs	26.50	0.45
Total	53.14	0.97

Other achievements of the Loan Facilitation Unit include:

- Trained 328 entrepreneurs of Agrani Bank, Micro Enterprise Development Unit (MEDU) on Strengthening Business and Market Development.
- Trained 15 branch bank officers of Agrani Bank, Micro Enterprise Development Unit (MEDU) on entrepreneurship development.
- Trained 100 bank credit officers of 21 banks in Dhaka on Understanding and Financing the Special Needs of SMEs conducted by the Bangladesh Institute of Bank Management.
- Trained 57 bank credit officers of 19 banks in Chittagong on Understanding and Financing the Special Needs of SMEs conducted by the Bangladesh Institute of Bank Management.
- 3657 copies of the Loan Facilitation Handbook, both Bangla and English versions, distributed to small enterprises, training participants, NGOs, banks, donors, and other institutions.

International Trade Fairs

Many exporting SMEs in Bangladesh have difficulty entering foreign markets because of a lack of market knowledge, designs and styles that do not appeal to Western tastes, and poor presentation skills. JOBS teamed up with the Export Promotion Bureau (EPB) to assist leading and potential exporting firms to succeed in the international arena, with international trade fair participation a required first step. During the trade fairs, exporters gain direct access to their target market, create a country image, secure opportunities for networking, and receive direct feedback on product performance and market orientation.

JOBS'S role has been to provide advisory assistance throughout all stages of fair participation, from pre-fair and on-site support to follow-up. Prior to the trade fairs, JOBS worked with EPB on firm selection, preparation, and logistics. A JOBS sector specialist attended each trade fair with the exporters to assist with cover displays, buyer handling, advertising, publicity, and the follow-up of orders.

The international trade fair support provided by JOBS has often been cited by entrepreneurs as one of the most valuable services they have received from any business support organization. With guidance from JOBS, Bangladeshi exporters have been able to present their products in a professional manner and tailor their image according to the demands of the target market. The results have been impressive. Bangladeshi firms have received consistent orders every year, leading to expanded production requirements and domestic job creation. In some instances, foreign firms have agreed to joint ventures after meeting with Bangladeshi entrepreneurs at the fairs. Following group participation in 30 major trade fairs throughout the world, JOBS assistance has generated cumulative international sales of \$60 million.

Trade Fair Participation

Fair Name	Location	Sector
Footwear and Accessories Trade Fair	Durban, South Africa	Footwear
Global Giftware	Sydney, Australia	Gift Items
NEC Birmingham Autumn Fair	Birmingham, UK	Handicrafts, Leather Goods, and Gifts
International Shoe and Leather Goods Fair	Tokyo, Japan	Footwear
New York Home Textile Show	New York, USA	Home Textile
Singapore Gifts and Premium Show	Singapore	Handicrafts and Home Textile
MIDEC Fair	Paris, France	Footwear
International Shoe and Leather Goods Fair (Al-Hida)	Sarjah, UAE	Footwear and Leather Goods
Occupational Safety and Health Exhibition	Singapore	Personal Protective Equipment
Comdex Fair	Las Vegas, USA	IT
Domotex	Hannover, Germany	Floor Coverings
International Autumn Trade Fair	Dubai, UAE	Light Electrical and Leather Goods
Spring Fair	Birmingham, UK	Handmade Paper, Home Textiles, Leather Goods, and Gifts
CeBIT	Hannover, Germany	IT
Tendence Lifestyle	Frankfurt, Germany	Handmade Paper, Specialized Crafts, and Leaf Baskets
IT Business Linkage Tour	Washington DC, USA	IT
Paper World	Frankfurt, Germany	Handmade Paper

Local Trade Fairs

JOBS initiated and organized a number of local fairs and exhibitions in major cities of Bangladesh resulting in \$366,693 in sales. More than 110,000 visitors and more than 650 entrepreneurs were given the opportunity to gain market exposure in major domestic markets.

Local trade fairs give small entrepreneurs a forum to showcase their products and provide them with access to outlets and markets in Dhaka and other urban areas. By participating in local fairs, small and microentrepreneurs learn about the range of products needed by consumers as well as the preferred designs, colors, sizes, and quality of goods. A trade

fair enables producers to meet potential buyers and learn from others involved in the same field. For buyers, it is a chance to compare the quality of similar products, choose the best possible product available, and survey the market. The linkages made on a one-to-one basis and the possible gains from a trade fair are innumerable for buyers and sellers.

JOBS's integrated enterprise development strategies recognized the importance of marketing and linkage since it has been observed that many entrepreneurs face similar difficulties:

- They do not have display and sales centers
- They do not have access to market as well as market information
- As the major market is Dhaka-based, the small producers outside of Dhaka are deprived of this selling opportunity

The interim objective of organizing the local trade fairs is to provide marketing assistance to JOBS clients so that they have an opportunity to increase their sales and exposure, especially for those who do not have an outlet or a display center. Further benefits of local trade fairs include:

- Solving the problem of display: all of the small as well as large producers have the opportunity to display their products in front of a huge market.
- Linking up with the large marketers: the small producers who do not have enough capacity to operate in the large market on their own are linked with big producers and marketers so that they can turn into suppliers and sub-contractors for the established marketers.
- Linking up with the exporters: exporters collect their products and supplies from various local sources. A trade fair provides the opportunity to see a large number of quality local sources under a common umbrella.
- Sales in the fair: participants have the opportunity to conduct spot sales during a local fair.
- Exposure to the market: Small producers as well as large ones gain exposure to the local as well as international market since a number of local and foreign buyers (agents) pay visits to the fair. The producers' gain knowledge about the market, fashion, trends, pricing, competition, and tastes of the different market segments.

Chambers and Associations

Business chambers and sector specific associations occupy an ideal position to reach large numbers of SMEs throughout the country with sustainable business development services, especially in the areas of ICT and market information. JOBS has worked extensively with the Chittagong Chamber of Commerce and Industry (CCCI), Modhupur Pineapple Association, and Handmade Paper Association to strengthen their capacity to provide domestic professional support to the private sector in Bangladesh.

JOBS worked with CCCI on the development of a website to facilitate member access to information. From an office on CCCI premises, the Project team offered technical assistance on website development and provided training to CCCI staff responsible for

website maintenance. JOBS also created an electronic database of all 5,000 CCCI registered members, enabling greater communication and collaboration among firms and more targeted services by the chamber. Strategic mentoring workshops were held with chamber board members to improve the vision and mission of the chamber.

The Modhupur Pineapple Association is one example of JOBS's successful strategy to link small farmers to district markets through the formation of associations. The pineapple farmers in Modhupur had originally sold their goods individually at street stands and other low volume outlets. The JOBS team recognized that the farmers could reach larger markets and access financing if they worked collectively, and so facilitated the formation of 21 farmers into an association in March 2001. With further JOBS assistance, the newly formed Modhupur Pineapple Association secured working capital through the Social Investment Bank Ltd (SIBL) and was able to supply pineapples to district markets and fruit processing companies, including PRAN, a well-known agricultural manufacturing and marketing company. The initial bank loan in May 2001 was for Tk. 475,000 (US\$9,500) with a repayment period of 6 months. The Modhupur Pineapple Association successfully paid the bank within 4 months and received additional funding of Tk. 12,50,000 (US\$ 27,358), Tk. 17,50,000 (US\$32,358), and Tk. 19,00,00 (US\$ 32,815). The Association has since been able to provide employment to an addition 32 workers and their profit has increased by 80-90%.

JOBS also helped form the informal Handmade Paper Association, the first such cooperation among handmade paper subsector producers. Although handmade paper has always been produced at the local level in Bangladesh, it is only recently that the subsector has been viewed as a potential export earner. By facilitating communication and cooperation among handmade paper producers, JOBS has enabled a coordinated voice for the subsector and assisted in bringing it attention at the national level as a potential growth industry.

Information and Communication Technology Initiatives

JOBS has been involved in promoting ICT in Bangladesh since 2000, and as such has been one of the first donor-funded projects to actively engage in the subsector. The Project has provided practical support in the areas of governance, policy, trade, and human resources development, while also contributing to ICT subsector market research and capacity reports.

In the area of e-Governance, JOBS collaborated extensively with the Ministry of Science and ICT to ensure that all department forms were placed online. The Project also worked with the Bangladesh Law Commission to create a website for the organization and to train 22 Law Commission officials on computer applications, basic networking, and website development and maintenance.

JOBS assisted in the design and development of the IT Law and the formulation of the IT Policy. The Project provided technical assistance and support for the creation of an

Action Plan, while also working towards an improved ICT regulatory environment and the formulation of the IT Act (see below.)

In each of the last two years, JOBS has supported private sector participation in CeBit (US) and Comdex (Europe) trade fairs. In collaboration with the Ministry of Science and ICT, the Ministry of Commerce, and the Export Promotion Bureau, JOBS also helped to create a country profile for the ICT sector. The Project initiated an IT Business Linkage Program that culminated in a business tour to the US by six Bangladeshi IT firms. In addition to working with individual businesses, JOBS provided capacity building support to the IT business associations. Three workshops were held with BASIS, BCS, and ISPAB to build the skills of the associations to act as advocates for the industry and as service organizations for their members.

JOBS's most significant initiative in ICT has dealt with e-HRD and the Cisco Networking Academy Program, which is detailed in the next section.

As a complement to JOBS's efforts in e-Governance, e-Policy, e-Commerce, and e-HRD, the organization has taken part in several research studies on the ICT subsector in the country. JOBS provided assistance with the IT Enabling Services report prepared by Carana Corporation as well as authored a report on ICT sector capacity for export diversification that was submitted to UNDP.

Cisco Networking Academy Program

For the past 2 ½ years, JOBS has acted as the country coordinator for the Cisco Certified Networking Academy Program (CNAP) in Bangladesh. This innovative program works with local academic academies to offer networking instruction in a range of skills, from infrastructure to applications, through interactive web-based and hands-on learning. The CNAP courses prepare students for the globally recognized industry standard Cisco Certified Network Associate (CCNA) certification, making them employable around the globe and providing them with the skills to integrate Bangladesh into the global economy.

JOBS has played an integral role in recruiting new Local Academies (LAs) to offer CNAP, facilitating communication among academies in the country, interfacing with Cisco, and raising awareness about the program within the IT sector nationally. JOBS has also assisted in the administration of the Women in Technology (WIT) scholarship program that aims to reach 30% participation by women.

Through JOBS's initiative, and with the support of USAID and UNDP, CNAP in Bangladesh has become the fastest growing program among the least developed

countries. There are currently 10 academies offering CNAP courses and this number is set to increase further. Among the most notable achievements of JOBS's efforts to support ICT human capacity building in Bangladesh are:

- 300+ graduates
- 700+ students enrolled
- 25+ students who have been offered positions overseas
- Fastest growing program in the Least Developed Countries (LDC) Initiative – 10 of the 22 Academies in the 7 LDCs in Asia have been established in Bangladesh with approximately 46% of the total number of students in these LDC Academies enrolled in Bangladesh

CNAP Academies in Bangladesh

Ahsanuliah University of Science and Technology
American International University – Bangladesh
BRAC University
Bangladesh University of Engineering and Technology (Regional Academy)
Chittagong University of Engineering and Technology
Daffodil International University
Dhaka University of Engineering and Technology
Khulna University of Engineering and Technology
Rajshahi University of Engineering and Technology
Shahjalal University of Science and Technology

In July 2005, JOBS undertook an impact assessment of the WIT program in Bangladesh at the behest of Cisco and as part of a multi-country study. With over 80 interviews completed, the study ended up providing an assessment not only of the WIT program, but of CNAP overall. The findings demonstrated the success of WIT in attracting more Bangladeshi women to the IT field and revealed the high demand among students for additional course offerings. Validated by these results, there are plans to expand the program and improve the link between CNAP graduates and prospective employers. Even though the JOBS Project has ended, the leadership that has been cultivated to coordinate CNAP remains committed to its expansion.

From a Small Town to the Ministry of Science and ICT

Rawnak Anjuman grew up in Nawabgong, a tiny district town on the western border of Bangladesh. During her BSc level of education, Rawnak's personal initiative and dedication led her to pursue computer programming such as Fortran, C++, Oracle 8, Visual Basis, MatLab, and MatCad. Her interest in programming grew with each completion. While Rawnak awaited her final exam results in Electrical and Electronics Engineering from Rajshahi University of Engineering and Technology (RUET), the Cisco Certified Networking Associate (CCNA) Program was just being incorporated.

In mid 2003, Rawnak enrolled in the 2nd batch of CCNA along with 27 other students. Due to economic hardship, this would not have been possible but for the 50%

discount offered by RUET to all female participants. In 2004, she became one of the 20 students who successfully completed the course, of which 7 were female. In the beginning of 2005, Rawnak appeared for an interview at the Ministry of Science and ICT and was selected to work on the project "Establishment of Technology Dissemination Cell," a team assignment tasked with bringing the Ministry under full network coverage and establishing e-governance in their own as well as other Ministries.

"RUET and the industry certification of the Cisco Networking Academy Program have provided me with the equalization of opportunity and equipped me to compete in the job market. During the interview to work as the Assistant Programmer at the Ministry of Science and ICT, I was still a student of CCNA, not even the CCNA graduate. Just being a prospective CCNA graduate had changed my life. I moved to Dhaka, leaving my family and friends behind, to work for the Ministry, which is a dream for many," said Rawnak.

Rawnak is not ready to stop with her CCNA. "My vision is to equip myself with Cisco Certified Network Professional (CCNP). I have special interest in the field of telecommunication and mobile technology. I would like to enroll in the Fundamentals of Wireless Lan and Network Security if offered at a discounted price."

According to Rawnak, the utilization and application of the skills learned in the CCNA curriculum has given her a cutting edge in the practical field. "I find myself in a much better stand today just because I realized the value of the international certification of networking. I am glad I got the opportunity," Rawnak proudly stated.

Enabling Environment for Private Sector Growth

IRIS's worldwide experience consistently demonstrates that the quality of the policy environment is the determining factor in achieving sustainable development and poverty alleviation. Accordingly, JOBS has undertaken a number of initiatives to improve the enabling environment for SME and micro-enterprises in Bangladesh. JOBS's main sphere of policy activity centers on access to credit by SMEs. In a country where many micro-enterprises have relatively easy access to credit through micro finance, SMEs face greater hurdles, because they are too large to qualify for micro finance loans but lack the collateral that commercial banks require. As a consequence, the Project, with the help of local and international experts, has drafted the proposed Secured Transaction Act. It is a modern moveable asset financing law that would allow SMEs to qualify for formal bank loans without relying exclusively on real estate as collateral. Although it is still in draft form, there is hope that the Act will be approved soon, thereby providing a strong legal basis for lending against movable assets.

Early in the program, JOBS recognized that the Credit Information Bureau's failure to provide information on loans of less than 1 million Tk. (\$20,000) resulted in the exclusion of important data regarding smaller loans, which are usually associated with SME needs. JOBS personnel therefore worked to address this issue by meeting with officials from the Bank of Bangladesh, various ministries, trade associations and chambers of commerce. Representatives of JOBS also spoke in public and lobbied for the extension of the CIB to include small loan information for SMEs. As a result, the

Central Bank of Bangladesh expanded the CIB's services to include information regarding loans as small as Tk. 100,000 (\$2,000). JOBS advocated for the abrogation of the interest rate band and has strongly advised the government to allow the banks to charge market-based interest rates for SMEs. As a result of these efforts, on July 14, 1999, the Government of Bangladesh removed the interest rate band (9%-12%) and the commensurate 3% subsidy on loans to SMEs. The liberation of credit by the government will allow credit to be subjected to market mechanisms.

The need to raise the tax ceiling has become an increasingly pressing issue in Bangladesh because SMEs in India are enjoying more conducive arrangements and offer products at more attractive prices. SMEs need to maintain accounts systematically, in a standardized format that is acceptable to authorities for VAT and income tax purposes. Entrepreneurs, business associations, and chambers of commerce applauded the Government of Bangladesh's decision to raise the turnover tax ceiling from Tk. 1.5 million to Tk. 2 million. This decision, strongly encouraged by JOBS, represented a move towards ensuring a level playing field for SMEs operating in Bangladesh.

JOBS is also a major player in the development of a supportive environment for the enhanced use of e-commerce which will shore up economic development (see box.) Most recently, JOBS worked closely with the Bangladesh Law Commission on a draft IT Act. Once approved, the Act will be a positive first step in recognition of the importance of ICT to the country's growth prospects and will create an enabling environment for the private sector to take full advantage of the potential of e-commerce. JOBS also assisted the Bangladesh Ministry of Science and Technology and Bangladesh Computer Council (BCC) to put most forms on the BCC website as a first step towards e-government.

Creating an E-Commerce Enabling Environment in Bangladesh

The initiatives undertaken by JOBS E-commerce and Information and Technology (EC/ICT) program have contributed significantly to creating an enabling environment for modern communication technologies in Bangladesh.

Businesses keen to embrace ICT were stymied by the legal and regulatory environment existing in the country. Although IT had been declared a "thrust sector" by three governments since 1997, no IT policy for the country had been adopted. Bangladesh's courts did not recognize electronic signatures; no laws protected intellectual property rights; electronic contracts had no legal value; and the financial structure to support electronic transactions was non-existent.

The private sector could surmount other barriers that had been identified, including the lack of adequate ICT infrastructure and human resources, once the legal roadblocks were removed and an IT regulatory environment consistent with that of the rest of the world had been adopted, but until then, Bangladesh's entry into the mainstream global economy was effectively blocked.

The primary reason for the delay was a lack of coordination among stakeholders, and JOBS took upon itself the role of providing the needed coordination by:

- Organizing the "E-Commerce in Bangladesh: Potential and Policy Priorities" seminar in January 2001 at which 35 recommendations for an IT Law were adopted and ownership of the ICT issue was forged among stakeholders;

- Bringing in technical assistance from international experts and UNCITRAL;
- Assisting the GoB in putting government forms on the web to facilitate public access and initiate some first steps toward e-governance in the country;
 - Setting up an IRIS website for policy makers to provide access to different e-commerce and IT law related information from all over the globe to assist the enactment an IT law for Bangladesh;
 - Providing hands-on training on the new technology to government offices, including officials and staff of the Law Commission tasked with shepherding the IT law through the legislative process; and
 - Organizing the "ICT Policy and Practice: Steps for the Future" seminar in October 2002 to celebrate the achievements to date and plan for those to come.
- JOBS coordinated the stakeholders, provided access to international specialists on IT laws, synchronized the efforts of different donor agencies, and most of all advocated the IT Act as a necessary step in providing the regulatory environment needed to foster the growth of the IT sector in Bangladesh. The Law Commission has expressed its desire to work closely with JOBS to make necessary changes in the draft IT Act to develop a law matching the international standard while catering to the needs of the ICT sector in the country. The draft IT Act is now with the Ministry of Science and ICT (MOSICT).

Training

In addition to the technical and product development training offered through the sector development program, JOBS specialized in general entrepreneurship and business development training for NGOs, MFIs, and entrepreneurs. The specific topics included:

- Planning for the successful start up of new businesses
- Managing on-going enterprises effectively
- Marketing products and services
- Accessing capital and using local resources
- Improving technical skills related to products, services, and technology
- Costing, pricing, depreciation calculation, and general financial management
- Building capacity of NGOs/MFIs on the effective implementation of enterprise development programs

In particular, the training curriculum developed by JOBS includes the following components:

- Entrepreneurship Development and Business Management (EDBM)
- Training of Trainers (TOT) on EDBM
- Enterprise Development Training (EDT)
- Training of Trainers (TOT) on EDT
- TOT on Designing Training Curriculum and Improving Facilitation Skills
- Management Development Training (MDT)

- Training on Monitoring and Evaluation (M & E)
- Training Course on International Trade Fair
- Training Course on Local Marketing
- Costing, pricing, depreciation calculation, and accounts record keeping

The list of training activities offered by JOBS included:

- Developing Training Needs Assessment
- Developing Training Curriculum and Module Development
- Developing training materials
- Training of Trainers (TOT) on Entrepreneurship Development and Business Management (EDBM) for national and international NGOs
- Offering EDBM Training for ILO, HKI, IVS, PKSf, Peace Corps Bangladesh, Proshika, EDFC, BURO Tangail, SSS, TMSS, SATU, HEED Bangladesh, CCDA, TARD, PRADIPAN, UDDIRAN, Shakti Foundation, Banarashi Palli Mirpur, Shoe Cluster Mirpur, and the Enterprise Development Forum (EDFC) in greater Chittagong made up of 50 more NGOs
- Offering TOT on Enterprise Development for national and international NGOs
- Offering TOT on Designing Course Curriculum and Improving Facilitation Skills for national and international NGOs
- Publishing and selling of EDBM, EDT Training Package (module, materials, flip-chart, and work –book, etc.) and Electrical Hand Book
- Supervising, monitoring, and follow-up of EDBM and EDT Training at grassroots level
- Facilitating and organizing JOBS staff development training

JOBS Training at a Glance FY 1998 - 2005

SL #	Name of Training Course	No. of Participants	Remarks
01.	Basic skill development training on poultry, livestock, and fisheries	6250	Entrepreneurs of NGOs
02.	Financial Management Capacity Building Training	471	NGO executives
03.	TOT course on EDBM , EDT and DTCIFS	450	Recourse Base of NGOs
04.	EDBM and EDT Training	68510	Entrepreneurs of NGOs
Total:		75681	

A Shining Face through Training

Dil Afsana Akhi was a housewife who started making dresses as a hobby in 1994 and sold them to friends, relatives, and neighbors. As the dresses proved popular within a short time, Akhi started a dress-making business in 1995 with a capital of 50,000 taka. She traded successfully from her house for eight years to local shops and consumers until she decided to expand the business at the end of 2002. She established Rang Dhanu, a garments, block-batik, and embroidery center in Khulna, located in the southern part of Bangladesh. She employed 20 full-time and 25 part-time staff and relocated the business from her home to a rented showroom in the commercial area of Khan Jahan Ali Road, Khulna.

During the last week of December 2003 Akhi participated in Entrepreneurship Development and Business Management (EDBM) Training, developed and provided by JOBS Project. By the end of the course she was skilled in a multitude of areas, including business selection, market surveys, depreciation calculation, and costing.



Ms. Dils Afsana Akhi (in the middle wearing a yellow saree) during a market survey interview at her showroom in Khulna.

The training equipped her with the business knowledge to visualize the most beneficial future steps for her company. She has since extended her business by opening two more showrooms in Khulna and Kishorgonj District and creating 2 more full-time and

25 part-time positions. Her capital has increased from 200,000 taka before the training to 500,000 taka after expansion.

Akhi has used her newly developed expertise to become a lead buyer for 10 more enterprises in her commanding areas, providing them with training, marketing assistance, and advice. Her natural flair for innovative thinking was given a focus and direction by the training, which she has since capitalized on by implementing an enhanced marketing strategy. As well as selling products from her showroom, Akhi now sells to schools and colleges using on-site presentations. She also supplies other showrooms in surrounding district level towns. EDBM training provided Dil Afsana Akhi with the confidence to construct business decisions in a long-term context and the skills necessary to implement them. The result has been an outstanding success for her. Recently she acknowledged the assistance provided by JOBS Project in the Rang Dhanu promotional brochure.

Monitoring and Evaluation

Since the beginning of its operations, JOBS has maintained monthly records of its clients, their sales, and their employment creation. Three separate databases contain information on JOBS microenterprise clients, microenterprise clusters, and SME exporting clients. This system of monitoring and evaluation has enabled JOBS to produce indicator-based reports of its progress during the past eight years and to demonstrate the increased domestic/export sales and employment creation that has resulted from JOBS assistance.

Local Outreach

America Week is part of a broader outreach effort by the U.S. Mission in Bangladesh that showcases annually the many ways in which the United States engages with and assists Bangladesh. The event is conducted through the joint effort of many different parties, including the embassy, USAID, USAID supported organizations, chambers and associations, a number of NGOs, and other interested groups. JOBS has participated in each of the last four America Weeks held in the major divisional headquarters - Chittagong, Sylhet, Rajshahi, and Khulna.

Chittagong Week - 2002

During America Week in Chittagong, the JOBS team promoted the project, the different sectors the project works in, JOBS newsletters, publications, loan facilitation procedures, and other activities to thousands of visitors and responded to the queries of local entrepreneurs and students. The three day America Week included press conferences, field visits, presentations, and cultural shows organized by USAID and its partner projects. JOBS Country Director presented the project activities and the support offered by the project to the partner organizations and entrepreneurs in that region.

Sylhet Week - 2003

Sylhet was the venue for the second annual America Week, which was set up as a catalog exhibition. Important events included visits to several USAID projects in and around Sylhet, presentations by experts on subjects such as library science and human rights in America, and a program on studying in the United States hosted by the Embassy's student advising office and the Consular Section.

JOBS team promoted the project itself and distributed the JOBS newsletters, publications, training modules, and loan facilitation handbook. The JOBS team also offered counsel on the different sectors the project works in to the local entrepreneurs. Thousands of visitors visited the JOBS stall and the JOBS team responded to the queries of local entrepreneurs, business associations, chamber members, and students. JOBS SME Team Leader presented on the project activities and support offered to the partner organizations and entrepreneurs in that region. A field visit was conducted to Sylhet Cane and Crafts, a renowned cane product enterprise assisted by JOBS. The Mission Director of USAID and other important officials took part in the visit to observe how cane is processed and cane products developed.

Rajshahi Week - 2004

Rajshahi Week was the third annual America Week and included workshops on student advising, health, commerce, and a special anti-trafficking video film show. The show was a collaborative effort by USAID and Action against Trafficking and Sexual Exploitation of Children (ATSEC).

During the week the JOBS team displayed sample products developed by clients along with the JOBS newsletters, publications, and training modules. JOBS-assisted clients also took part in the presentation session. The Executive Director of Thanapara Swallows (see box), the Program Coordinator of TMSS, and the Proprietor of the Adarsho Silk Industry presented their business activities and the results of the assistance received from the JOBS Project.

JOBS in Rajshahi: Thanapara Swallows

Thanapara Swallows is an entrepreneurial organization founded in 1972 that focuses on weaving, embroidery, and sewing. The organization also produces lamb's wool carpets, which are labor intensive and provide employment for many people. The hand-crafted, exotic nature of the prayer rugs, blankets, floor coverings, and carpets Thanapara Swallows produces make them attractive export commodities. The workers making these lambs' wool products are concentrated in Noagola, but until recently the lack of individual and organizational support in the area has prevented them from developing the sector to its full potential. JOBS provided skill development training for 25 entrepreneurs in the Noagola cluster. As a result of this training, the workers are now able to produce higher quality products, and their incomes have risen accordingly.

The second endeavor between Thanapara Swallows and JOBS was with the Sardah Block Batik cluster in the area of Rajshahi. In an effort to launch a new product line, Swallows introduced block and screen printed fabrics to its women entrepreneurs in the area in late 2002. JOBS provided intensive training on block batik and screen printing techniques for 30 of these women. Thanapara Swallows assisted in the creation of market linkages between these entrepreneurs and buyers, as a result of which the block printed fabrics they produce are not only continuing to sell well in local markets, but are gaining market acceptance in Japan and Europe as well.

Khulna Week - 2005

The three day America Week in Khulna included press conferences, field visits, presentations, cultural shows, and an Anti-Trafficking Film Festival organized by USAID and its partner projects. Thirty-seven projects provided information about their mission, objectives, and activities.

Apart from having a booth at Hotel Royal, JOBS also hosted a Display Center at Hotel Castle Salam featuring products developed by clients. USAID Mission Director Gene V. George inaugurated the Display Center on the opening day of America Week activities. Export quality products from different sectors, such as handmade paper, leather and leather goods, jute diversified products, home textile, and Personal Protective Equipment (PPE) were included in the display. The well-decorated display center attracted a significant number of visitors for three consecutive days during America Week. US Ambassador Harry K. Thomas, Deputy Chief of Mission Judith A. Chammas, and Deputy Mission Director of USAID Beth Paige were among other dignitaries who visited

the JOBS Display Center and appreciated the range of products developed by JOBS'S clients.

JOBS in Khulna: RMM International

RMM has been a leading finished leather supplier in Bangladesh for a number of years; supplying goods worth \$4 million last year alone. Due to factors such as value addition, significant profit margins, and demand for leather footwear and leather goods, RMM recently started a new production unit in handmade leather goods, shoe uppers, and footwear in Khulna. JOBS facilitated skill development training for the 200 employees working in the Khulna cluster. To meet the demand from international buyers, JOBS and RMM Leather Industries Ltd. opened another new cluster in Singair, Manikganj where a further 100 unskilled workers were trained. In addition, a further cluster was developed in Syedpur employing 200 workers, of which 98% are women. To increase orders for these trainees and to make this unit a profitable contributor to Bangladesh's export earnings, RMM participated in the Asia Pacific Leather Fair (APLF) in Hong Kong, one of the largest fairs in Asia. They will also participate in major fairs in Europe in the coming season and in Japan next October.

Local Consultative Sub-Group (LCG) for Private Sector Development

Based on a JOBS suggestion in 1998, USAID revived the Local Consultative Sub-Group (LCG) for Private Sector Development brought together donors in a concerted effort to focus on private sector enterprise development. As part of this undertaking, JOBS assumed in the early stages the responsibility of serving as the secretariat of the LCG and coordinating LCG activities. The LCG supports working jointly on specific activities to ensure improved use of scarce resources that are available for development and to avoid repetitious efforts made by donors. The LCG also serves as a platform for the donors to review policy issues related to sectors of activity. The Private Sector Development LCG shares experiences in the development of SMEs and coordinates policy advocacy in the area of enterprise development.

Financial Overview

Description	First 5 years					1st extension	2nd extension		Total US\$
	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	
Budgeted amount	1,738,033.00	2,050,440.00	2,165,306.00	1,940,817.00	1,705,353.00	1,807,248.00	500,000.00	592,803.00	12,500,000
Actual expenditure	801,452.49	1,589,600.77	2,471,660.35	2,897,882.26	1,426,695.22	1,818,249.50	1,007,241.86	487,217.55	12,500,000
Yearly Under/ (Over) spending	936,580.51	460,839.23	(306,354.35)	(957,065.26)	278,657.78	(11,001.50)	(507,241.86)	105,585.45	-
Cost sharing	2,540.00	-	8,940.00	717,887.00	511,006.00	1,123,490.00	583,157.00	756,056.00	3,703,076

During the JOBS Project's first two years of operation, actual expenditure was less than the budgeted amount since the Project was conducting a significant number of subsector studies in anticipation of actual implementation. From the third to fifth year of the JOBS Project, expenditures increased significantly to allow for maximum implementation. During the final three extension years of the Project, expenditure remained low at the same time that achievement and impact on employment were high, due in large measure to increased efficiency as the Project gained experience.

JOBS had committed to USAID to achieve a cost sharing of 20% of total costs. In reality, the Project was able to achieve 30% cost sharing on overall expenditure. It should be noted that during the first five years cost sharing averaged 33% whereas for the final three years it was 67%, thereby significantly reducing JOBS's dependency on USAID.