

JOBS/IRIS Project

**Quarterly Report
October 2000 – December 2000
(Quarter #1 - FY 2001)**



JOBS

**A USAID FUNDED INITIATIVE
ASSISTING ENTERPRISES TO
CREATE EMPLOYMENT**

Job Opportunities and Business Support Program (JOBS)

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(Quarter #1 – FY2001)

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I. Table of Contents

II.	Executive Summary	4
III.	Introduction	5
IV.	Major Target Achievements – Highlights	6
	Micro Enterprise (ME) Program:	7
	Lessons Learned	7
	Direct Contributions	8
	ME Marketing Team Achievements	8
	ME Marketing Team Recommendations	9
	ME Marketing Team Contributions	9
	Small and Medium Enterprise (SME) Program:	10
	Contributions and Impacts	11
	Lessons Learned	11
	Policy Program:	12
	E-Commerce / ICT	12
	Secured Credit	12
	Lease Financing	12
	Loan Facilitation	12
	Operations Support Services Team	13
	Communications and Public Relations Team	13
V.	Highlight Activities / Special Events	13
VI.	Training Activities / Recap Matrix	16
VII.	Management Issues	21
VIII.	Financial	22
IX.	Planned for Next Quarter	22
	Targeted Training	25
X.	R4 Recap and Comparison	27

II. Executive Summary

This quarter was the first in which the Project began to see the rewards and achievements possible through its recent restructuring and integration of the diverse programs and activities. A recent quote by a new senior team member seems to put things in the proper perspective, “wow, you folks really have a lot going on here.... I have seldom seen such focused energy.” The remainder of the year will only see an intensification of these efforts, which will not only increase sales and generate wage-based employment, but also strengthen some of the underpinnings of the economy.

The efforts include a new philosophy and enthusiasm in our Micro-Enterprise Program, which has moved from ‘supporting’ two large NGO organizations in previous years to a much more focused approach of reaching the ‘grassroots’ organizations. The program is now working with eight different stakeholders who have demonstrated a desire and focus to truly help alleviate poverty. The Project’s new emphasis on cost sharing and joint management, coupled with responsibility and accountability, has allowed the JOBS to cut its per recipient cost by over 50%.

The ME Program further diversified its outreach and TA by the development of a proactive marketing team. It has long been known that two of the missing ingredients with most ME programs was the lack of proper pricing and the inability to effectively reach markets. The Project’s ME Marketing Team is beginning to find remedies to this problem. During the quarter they designed and implemented two successful initiatives. One linked pineapple growers directly to the country’s largest manufacturer of juice products, while the other linked dairy farmers to a major distributor. In each case the profit margins of the local producers were more than doubled.

The SME program continued to march on with tremendous leaps and setting new heights in both domestic and international sales. The JOBS Gulshan Trade Fair realized a 141% increase in sales and the export footwear sector continued to astound us. It was thought that the Japan market may be an opportunistic niche market for Bangladeshi footwear, but only if it was approached in a very targeted manner. The end result was the Project helped generate nearly \$2.2 million (beating our R4 target for the year – page 27) in our first entry – far over our estimate of \$300,000.

The Policy Program, which had been hampered by management turnover and inconsistent direction last year, has begun to be a major aspect of the Project, both in activity and image. The major agenda item of Access to Credit, which encompasses the development of a new law on secured credit; lease financing; and loan facilitation got major boost that will intensify and expand rapidly through the life of the Project. The other priority focus is on E-Commerce in which the Project is quickly becoming recognized as the leading expert in this vital aspect of IT and business expansion. The Project solidified its working relationship with TechBangla to include participation in a national conference and the presenting of two research papers. JOBS also made an important positioning speech and presentation that helped solidify our leadership role.

Though the Project’s activities would have still gone on, few of our many achievements would have been fully realized without the work of a rejuvenated Communications and Public Relations Team. This quarter was the first of our monthly newsletters that will be targeting the qualitative aspects of JOBS and the positive impacts we are having in changing lives.

III. Introduction

The following Quarterly Report will provide a fundamental accounting and overview of activities and measured achievements for the JOBS Project for the first quarter of FY 2001. Despite some disappointments and obstacles, a few due to over-estimating expectations – others caused by factors beyond the control of field management, the Project has much to be proud of during the quarter. In short, it was an extremely busy quarter and JOBS made quantum leaps in image, outreach, and positioning itself for significant economic impacts in the near future. The Project has completed a very successful transition into an integrated ‘business oriented’ operation in a very short period of time. During this transition, JOBS still maintained its focus on key result areas and overall impacts to SMME job growth and sales generation.

The restructuring the JOBS internal organization and the three center-point programs (SME, ME and Policy) is almost complete, only the Policy Program remains and that should be completed by the end of January 2001. As discussed in last quarter’s report, the initial efforts were completed and the building blocks put into place, now the transition process is almost complete. The Project has begun to evolve into one that has a greater outreach to the overall aspects of the Bangladeshi economy and is emphasizing ‘genuine’ sustainability of its activities and recipients.

The quarter was one that began to reap much of the rewards of the previous efforts. The most significant of these was the revision and completion of the FY2001 Strategic Direction and Work Plan. The design, format, and development of this document was such that it enabled the individual programs to maintain their uniqueness and special needs while at the same time integrating them into a unified and synergistic project, an approach that had been lacking previously. Through implementation of this process and mechanism, the Project is now beginning to realize its potential and is positioned to achieve all its benchmarks in a cost-effective manner, while maximizing its impact on the key result areas (KRA).

Other than the completion and successes derived from the process of developing and implementing the FY2001 Strategic Direction and Work Plan, which are highlighted in the body of this report, two other major project-wide achievements occurred. Both can be directly contributed to a super-human job by Imran Shauket, Dep. Project Director. The first of these was the negotiation, design, and moving of the office to a professional setting that’s providing the Project with an environment, which enhances the image of JOBS and will improve employee moral and productivity. Only two weeks after the move, significant changes have already been noted. The other was the leap of the Project into being recognized as the e-Commerce experts in Bangladesh. Hours of preparation, meetings and positioning took place, which culminated in a high-level government-private sector strategic conference in January. As this finalized in January, it will be discussed in next quarter’s report. However, subsequent activities and reports will be produced prior to its production.

Though the entire Project has now become a totally integrated organization, both operationally and functionally, it is still comprise of three distinctive programs (SME, ME, Policy) that must and will function in collaboration and cooperatively, yet independently due to the differences in their respective beneficiaries, focal points, and targeted objectives. Each of these distinct programs is also comprise of various auxiliary programs and targeted activities.

The SME Program is targeted at four key economic development sectors with a fifth category of 'all others'. The SME program is also very client focused and puts primary emphasis on sales generation, first, and employment creation, second. It also places emphasis on export capability and cluster development. This does not mean that all clients are currently or will be exporting during the life of the Project but the majority should at least have the desired capacity too in the future.

The ME Program on the other hand is not sector specific but much more number and region driven in an attempt to cover as much of the country as possible. Though there is interaction with specific recipients, the program utilizes a diversity of NGOs/MFIs and resources organizations to implement its objectives. These are first, sustainable employment creation and second, sales generation. Both the ME and SME programs have similar KRAs but in reverse importance, hence the focus of the programs are different. The ME Program is also developing a separate Market Linkage Team aimed to facilitate market access, and maximizing sales and profits at target ME product sectors. Additionally, the ME Program is now finalizing a three party relationship to bring substantial TA and market linkages to the Hill Tracts that will last well after JOBS. Each of these will be connected and operated in coordination with the SME Program, as appropriate, but will be spearheaded through the ME Program.

The third major program is the Policy Program, which has three distinct areas and non-related areas of operation; e-Commerce/ICT; Access to Credit; and a Loan Facilitation Program. Each of these is a major activity in its own and spans from grassroots credit programs, to SME capital & lease financing, to macro level policy issues involving secured credit. The Policy Program crosses both the SME and ME Programs and more.

Tying all these together is an array of training and facilitation programs, plus targeted media, advocacy and public relation activities. Hence, to combine all these together under one general heading would not serve the purpose of this report to the many people who gather information from it. Therefore, certain aspects of the quarterly report will necessarily discuss each program in its own light to obtain the true picture of the Project's achievements and activities during the quarter. Others, where appropriate will be combined.

IV. Major Target Achievements - Highlights

The major thrust in this quarter was the development of 'new' stakeholder development relationships and the implementation of different SMME Development Assistance Programs, plus the monitoring of previous activities. FY2000 was a successful year for the initial development of these Development Programs, their evolution and expansion began during this quarter and will now continue through the life of the Project; maturing and evolving as they models are further developed. As a result of these efforts, the Project realized a significant number of activities ranging from basic EDBM training at the micro-enterprise level to our most successful SME international fair to-date.

ME Program:

Per the business plan, the quarter realized the successful commencement of ME program activities with newly selected organizations. This was a significant change from FY2000 when the project was married to only two organizations, Yogsutra/IVS and Proshika. The Project began its initial implementation of TOT & EDBM training courses with its new stakeholders in development, Buro Tangail, TMSS, CDS, Shakti Foundation and SSS. Thanks to the diligent work of the ME Development Team, the Project was able to establish a new concept in JOBS and its development stakeholders of 'Cost Sharing and Joint Management', which has now become an important ingredient towards sustainable development among the potential MFIs/NGOs working in different regions of Bangladesh with the Project.

During this quarter the major achievement for the newly formed ME Marketing team was the development of a strategic direction for the team. This brought modifications to certain aspects of program planning and the operational direction necessary to integrate it with targeted marketing linkages. Emphasis is being put on the selection and potential productive sectors, utilization of local available resources through business linkages with government and private service sector at the Thana level.

During the current quarter, the ME Program was behind the schedule in achieving the specific targets of the quarter, especially job growth, however, it is expected to recover the shortfall in the 2nd and 3rd quarters as it follows the YTD business plan.

Deviations: The major deviations have resulted from the possible contractual agreements with the initial stakeholders like BRAC, Proshika and WAVE.

- WAVE is not in a position to participate in the JOBS program since it has experienced recent severe flooding at the projected project area.
- Proshika contract is still under process of negotiation and there is no projection when a final agreement will be reached.
- JOBS had several negotiations meeting with BRAC but was unable to arrive at joint program due primarily to BRAC bureaucracy. It has been decided that it is no longer in the best interest of the Project to develop a relationship with BRAC at this time.

To adjust for the potential deficits, the Project has:

- A) Inclusion of SSS in place of BRAC and WAVE.
- B) Readjustment of the total number of MEs to be assisted with Buro Tangail and TMSS.

Lessons learned / recommendations from these activities include:

- The concept of *Cost Sharing and Joint Management* makes the program more cost effective and efficient. It also significantly reduces the cost per recipient ME development.
Note: In 1999-2000, JOBS paid an average of US\$ 80.25 per ME development recipients, while in 2000-2001 it is only US\$ 37.50.
- The Cost Sharing and Joint Management approach develops ownership of the program among the participating organizations.

- The MFIs/NGOs have been realized that the technical assistance of JOBS strengthened their on-going micro enterprise development programs.

A Brief analysis of direct contribution of achievements of current quarter include:

- Participating at the JOBS Trade Fair provided the grassroots MEs with a wider scope of market demands, an introduction of new products and the avenue to enter into the new markets.
- During the quarter 29 MEs participated alongside established SMEs at the Gulshan Trade fair. The participants were able to compete in this environment and produced sales of over US\$ 17,662, plus receive spot orders.
- At the event, six participants introduced new products and seven were able permanently enter into the new market.
- After the event, one participant, who was representing Shakti Foundation, received the Prime Minister's Award for quality dressmaking.
- Another has been selected for participating with JOBS SME clients in the Frankfurt international trade fair.

Note: JOBS was the first program that has encouraged MEs to participate in Trade Fairs directly with SMEs in order to prove their potentials.

Major achievements of the ME Marketing Team include:

- Development of marketing strategies for the ME producers.
- Organizing workshops, meetings and individual discussions for dissemination of the "Cooperative Marketing" concept among the clients, non-clients and recipient organizations.
- Successful gained a 96% sale price increase (compared to local markets) and sustainable business linkage between ME cooperatives of Pineapple growers and fruit processing plants in Dhaka.
- Negotiated the establishment of better a priced market linkage between Milk producers and processing a plant, which will increase the selling price of the products approximately 33 - 36%.
- Initiated a network between assisted and non-assisted clients and their respective NGOs based on common business interest aiming to form "producers' cooperatives" for successful market linkages.
- Successfully designed the strategies for the alleviation of poverty and creation of sustainable wage employment by bringing significant change in 'market policy' for the minority tribal groups in Chittagong Hill Tracts through collective efforts.
- Establishment of donor linkage to ensure long term and continued support to JOBS assisted enterprises and interventions.

The Marketing Team was very successful in achieving its target many times over; especially as compared to business plan projections. Through a collective effort, they were able to:

- Identify potential business sectors for expansion and further development
- Necessitate modifications in the ME implementation plan to maximize impacts
- Popularization of the concept of "Cooperative Marketing" linkages for Micro Enterprises
- Establish market linkages;
 - increasing in selling price by linking MEs with external markets
 - establishing a network between organizations having similar activities.

Based on these multiple successes, there were no deviations from the Strategic Business Plan.

The lessons learned / recommendations are those micro enterprises (most) that run businesses with a limited credit fund always remain tense in regards to timely loan repayments, which is directly related to and depends on the selling performance of their products. The issue of wage employment comes in later and is based on better-priced marketing linkages and expansions of existing business. However, it is extremely difficult for any small producer to get a linkage with an external buyer with assurance of continued supply. Therefore, the ME producers are seriously deprived of a profitable business linkage and thus impede the promotion of sells and expansion of business. The only alternatives are to either change or close the business, or borrow more money from the MFI, this getting further in debt. Too often this is a never-ending cycle for many MEs.

For example, the milk producers at Raigonj / Sirajgonj are selling their milk locally at Tk.12-14/litre, whereas the processing plants are buying the same milk at the rate of Tk.18 - 22/litre. A single producer with his/her limited production cannot make a linkage with the milk processing plants. However, in the same area where total milk production from 225 producers is about 4,000 - 4,500 liter/day, it is much more attractive for the plants to buy milk from their doorstep. This will amount up to a 35% increased rate for each individual producer if the same milk is collected under a cooperative arrangement. Similarly, the Pineapple growers in Modhupur, who would otherwise sell Pineapple at the rate of Tk.2.50 per kg locally, now have a long-term contract with a processing plant at a rate of Tk.5.00 to Tk.5.10 per kg when they agreed to collect and supply under a cooperative arrangement.

The best lesson from these activities is that many MEs can not sustain and/or expand his/her business to ensure wage employment creation until or unless they;

- select and run a productive business with potentials of expansions
- work under a cooperative arrangement for marketing linkage
- establish a inter business linkage among other MEs.

A brief analysis of the direct contributions of achievements from the Marketing Team and their impact include:

- A good insight of the real problems of MEs in terms of sustainability and expansion.
- Cooperative marketing is a realistic solution in many cases.

- MEs are becoming aware of better-priced marketing linkages.
- Enhanced skill, capacity and confidence of MEs to be involved in productive sectors.
- Increased eligibility of larger credit from MFIs or commercial institutions with assurance of easier loan repayments.

SME Program:

The SME Development Program continued its focus and thrust on the four major sectors in which it operates, Handicraft, Footwear, Textile, and Leather Goods. As a result of this, the program is beginning to reap the rewards of its efforts. Most of the activities during the quarter were focused around training and market development. During the quarter activities in the textile and handicraft sectors focused primarily on training; except for the first bullet listed below. The following is a list of the major achievements other than training in the leather and footwear sectors.

- After the completion of a skill development program in Zhinaidah, in association with Action in Development (AID), JOBS decided to continue its work with the same handicraft group in this quarter to assist the group of 22 to start their own business. Follow-up and TA is continuing.
- Four export oriented footwear firms participated in International Shoe Fair in Tokyo, Japan under a common umbrella of JOBS Bangladesh Stall. This three-day long fair was held during October 11-13. Due to JOBS assistance and preparation, the firms negotiated orders worth US\$ 2.2 million.
- A new cluster in Shafipur in association Apex Footwear Limited was started. JOBS will initially provide training to 50 members of the cluster on handmade footwear production. After the training, this cluster will do sub-contract work for this leading export footwear firm.
- The organization of another new cluster in Gazipur, in association with Legacy Footwear Limited, was completed. Activities will start in this cluster with the training of 40 workers. The cluster is being specially developed to supply export orders, production of which is not possible on machines and requires extensive hand works.
- The advance skill development training was completed in the Savar Cluster. This was continuation of a program that was begun last quarter for 60 women on hand made footwear production. The trainees are now ready to do sub-contract for large firms or to start their own business. Assistance will be provided to this end.
- Footwear sector started working with 100 unskilled workers on mechanized footwear production under its worker development program for the export oriented footwear sector. This initiative is in association with Apex Footwear Limited; and the successful trainees will be employed by Apex upon completion.
- The Project began its 'new' export oriented leather goods sector with great thrust during the quarter by providing TA to 100 workers on leather goods production, in association with Apex Leather Craft Limited. This is the first such program and the workers will be employed by Apex upon completion of the training.
- A new and unique cluster in Munshiganj, in association with Apex Leather Craft Limited, was opened. 150 unskilled workers will be trained for six

months on handmade leather goods production. Upon completion, the workers will be sub-contract by Apex as a group. This will reduce Apex's production cost substantially and will make them competitive in the international market.

The majority of the SME Development Programs achievements were in line with the business plan and there were few deviations. The few that deviation did occur were for uncontrollable circumstances.

- In the footwear sector the training on pattern making could not be started in this quarter as planned. Due to a sudden trainer shortage, the Footwear Design and Development Institute of Delhi requested to shift the training to the next quarter.
- In the textile sector, the training on reactive and vat dyeing was shifted to the next quarter because the Bangladesh Handloom Board took a long time, due to Government bureaucracy, to organize and approve the joint program.
- The designing training for the textile sector was shifted to January-March 2001 quarter for better implementation of the program. The actual TA is designed for the participants of the New York Home Textile Fair to be held March 30, 2001 and was to be followed by specialized quality control training in the next quarter. After identifying a highly qualified design expert/trainer for both activities, the Project decided to merge the programs and organized both activities jointly in January- March quarter.

All other activities were either completed or started as per the business plan in this quarter. However, many sub-contract were delayed due to contractual complexities.

A brief analysis of direct contributions and impacts of achievements are centered on some basic lessons learned. In most export-oriented industries the joint development of 'clusters' for server a multiple of purposes. Not only does it foster joint participation and buy-in but establishes ownership in the activity. This at the same time allows previously unskilled workers to develop a skill-set that will serve to aid in lifting them from the poverty ranks. At the same time it will help reduce the employers cost of production and overhead, allowing them to compete more effectively in international markets. Therefore, a mutual and supportive dependence is developed between each.

This concept has worked well for the Project in the footwear sector and the Project believes that its application into the leather goods sector will start a new trend in the export-oriented segment of the industry. The Project will consider expanding the concept into other sectors as appropriate.

In regards to the export footwear sector, the Project believes that the Japan market is the most prospective market for continued development and prepared its clients well for the market. Therefore, we will be re-thinking our other international activities and may put more emphasis on Japan. We also learned that with the right preparation and state of the art marketing materials, Bangladesh could capitalize on certain competitive advantages.

The Project also showed how through proper training and targeted assistance, firms create new products and increase sales, which eventually will end in higher employment and economic growth. The exhibition on vegetable dyed item was one such event. Moreover, the organization of the fair, as well as the documentary vegetable dyeing, deserves high praise for their educational and marketing benefits.

Policy Program:

The major policy focus for the Project continues to revolve around the issue of Access to Credit and E-commerce/ICT.

E-Commerce/ICT:

- Worked in collaboration with Jonathan Metzger of USAID on a special report focusing on the readiness of Bangladesh in relation to ICT.
- The work on E-commerce included the commissioning of two studies, one through TechBangla and another independently.
- Presented a major E-commerce speech and position statement for the Project at the TechBangla conference.

The approach and activities related to ‘Access to Credit’ are being addressed in three general areas: Macro-Level - Secured Credit (Moveable Assets) and Lease Financing; and at the ‘grassroots’ implementation level through our Loan Facilitation Program. Activities and achievements for each are highlighted below:

Secured Credit (Moveable Assets):

- Mr. Allen Welsh, the international legal consultant for JOBS and IRIS prepared the following papers during his Short Term Technical Assistance:
 1. News Letter on “Business Credit”.
 2. Paper on “Secured Credit for Jobs and Economic Growth”
 3. Draft Law on “Secured Credit”
- Mr. Welsh also conducted a workshop on Secured Credit (see Special Events)

Lease Financing:

- A survey entitled “Report on the Operation and Lease Portfolio of Four Lease Financing Companies” was completed. The follow-up work on this important issue will commence in the second quarter once proper staffing is in place.

Loan Facilitation Program:

- Prepared and submitted the MOU for an institutional relationship between JOBS and Bank of Small Industries and Commerce Bangladesh Limited (BASIC) focused on access to capital for SMEs utilizing collateral free and movable assets based lending.
- Prepared and submitted the MOU for an institutional relationship with JOBS and Prime Bank targeted at access to capital for SMEs using collateral free and movable assets based lending through Prime Bank’s SME credit cell and LPG program.
- Prepared and submitted the MOU for an institutional relationship between JOBS and Social Investment Bank Limited (SIBL) with their entrepreneurship

development program to access capital for SMMEs using collateral free and movable assets based lending.

- Prepared and submitted the MOU for an institutional relationship with JOBS and National Bank through their LPG program of access to capital for SMEs.
- Prepared and submitted the MOU for an institutional relationship with JOBS and Islami Bank Bangladesh Limited for their entrepreneurship development program and access to capital for SMMEs.
- Began facilitating loan process for two SME clients (Milton Candle Company and Salam Electrical Engineering).

In addition to the programmatic activities, the Operations Support Service Team and the Communications and Public Relations Team were instrumental in the success of the Project during the quarter. They helped organize and provide the support necessary for the Project and various programs to function. Highlights of their achievements include:

Operations Support Services Team:

- Negotiation with suppliers / vendors for best pricing
- Shifting from a cash-based payment system to one of monthly check payments
- Identified and began implementation of project management cost reductions
- Shifted to a new accounting management package
- Realized monthly Project savings of \$5,500 through streamlining procedures in selected cost areas of the Project
- Move the entire Project to a new office – very smoothly

Communications and Public Relations Team:

- Designed and printed the JOBS Project Brochure in English
- The Bangla version is being translated and will be printed by end of the month
- Designed and printed the new JOBS Project monthly Newsletter for information dissemination
- Have successfully assisted all JOBS Project teams in their endeavor to carry out their activities vis-à-vis Communication and Public Relations
- Standardized designs for all JOBS cards, banners, etc have been established
- New JOBS ID cards were designed and distributed
- New JOBS Project business cards designed and approved
- Folders for the JOBS Project have also been printed to cover all aspects of programs
- Weekly updates to IRIS has given the Project regular coverage
- Print media and televisions, as appropriate, successfully coverage of all special events

V. Highlight Activities / Special Events

In regards to special events or highlight activities, all either meet or exceeded expectations. Though the Project believes that all its activities are worth mentioning, several of the activities/achievements stand alone in terms of results or expected impact on SMME Development of Bangladesh.

- The Project arranged an exhibition of vegetable dyed items and small leather goods at the Officers' Club. This three day long exhibition was held during October 26-28. Ten firms including three from the leather goods sector participated in this exhibition. The exhibition was arranged to promote the new vegetable dyed products of clients that were developed after the vegetable dyeing training, in addition to clients of the 'new' leather goods sector.
- The result in the Japan International Shoe Fair (October 11-13) was also beyond expectation. Even with a great deal of preparation, the Project only projected orders worth US \$300,000; especially since this was our first experience in the Japan market. However, the fair ended with negotiated orders worth US \$2.2 million and created a new international market for many of the export footwear firms. This happened only because of the Project's well-structured and well-planned assistance program and the clients' sincere participation in these programs.
- The annual JOBS Gulshan Trade Fair at Gulshan Park from November 15-18, 2000. The US Ambassador inaugurated an event that was quite remarkable, and far better organized and promoted than last year's. 107 SMMEs participated in this four-day long fair and generated spot sales of Tk.4,096,395 compared to TK. 2,885,210 last year (a 141% increase). Furthermore, a significant amount of orders were negotiated in the fair, which will be captured as additional income in the near future. The fair provided an opportunity for many entrepreneurs to meet and compete in an open market directly for the first time.
- Saptahik 2000, the most popular weekly magazine of Bangladesh, published a special EID festival catalog in which the Project subsidized the product marketing for 15 clients. The publication was targeted towards both wholesale buyers, and the general consumer, which from all accounts had a significant impact on their buying decisions. The participants on the catalog were able to find many new contacts through inquiries received after the issue was published. The initial boost to sales to the average participant was over 40% and more is expected to follow. This is the first time such an activity was attempted by any development organization and the Project has received high praise for its efforts.
- Co-sponsored a major three-day conference in conjunction with TechBangla focusing on the IT & E-Commerce in Bangladesh. The conference helped serve to position the Project as a leader in facilitating and promoting E-Commerce for Bangladesh.
- Seminar on **"Secured Credit for Jobs and Economic Growth"**
The Project organized and FBCCI jointly sponsored a seminar at Hotel Purbani on 6th November 2000. The focus was a discussion on the vital need for Secured Credit Financing for jobs and economic growth. Bankers, leading businesspersons, lawmakers, and the media attended the seminar. Mr. Allen Welsh presented his findings on the subject and led an informative discussion. The seminar helped server as the beginning of developing an advocacy group for passage of a new law. Activities in the second quarter will be heavily concentrated on moving the entire process forward.

Other than the special events listed, significant highlights that need to be mentioned include:

- Negotiation with the PRAN fruit processing plant and establishment of a business linkage for pineapple growers.
- Negotiation with a VITA Milk processing plant for a sustainable marketing linkage.
- Collaborative efforts with ACTIONAID to address multi-dimensional problems in the Hill Tracts beyond the resources of the Project that ultimately affect the performance of ME growth and expansion.
- Networking with other institutions for sustainable impacts of the Project interventions.
- # Of loans disbursed to JOBS assisted MEs was 583
(Male: 249 Female: 334)

VI. Training Activities / Recap
Targeted Training Activities Achieved During the 1st Quarter of FY 2001

Training Activities	1 st Quarter FY 2001 <i>(Per person days) & (total recipients trained)</i>				Target (YTD)	% Target Achieved	Project Total to-date	Causes of Major Deviation
	YTD to last Qtr.	Current Quarter	YTD for FY					
EDBM Training for ME	Person Days	2724	2724	2724	4200	65%	46884	246 short due to contract delays. Deviation will be made up during the year
	Total Recipients	0	454	454	700	65%	7814	
TOT on EDBM for EDWs	Person Days	0	793	793	1500	53%	2941	61 short due to contract delays. Deviation will be made up during the year
	Total Recipients	0	64	64	125	51%	243	
Refreshers on TOT of EDBM for EDWs	Person Days	0	60	60	120	50%	60	30 short due to contract delays. Deviation will be made up during the year
	Total Recipients	0	30	30	60	50%	30	
Need Based Skill Development Training for ME	Person Days	0	0	0	375	0%	20625	125 short due to contract delays. Deviation will be made up during the year
	Total Recipients	0	0	0	125	0%	6230	
Vegetable Dying Training for ME	Person Days	0	0	0	0	0	425	
	Total Recipients	0	0	0	0	0	85	
Accounts and Financial Management for ME	Person Days	0	0	0	0	0	784	
	Total Recipients	0	0	0	0	0	112	
Savings & Credit Management for ME	Person Days	0	0	0	0	0	1261	
	Total Recipients	0	0	0	0	0	202	

JOBS Quarterly Report – first quarter FY 2001

Training Activities	1 st Quarter FY 2001 (Per person days) & (total recipients trained)				Target (YTD)	% Target Achieved	Project Total to-date	Major Causes of Deviation
	YTD to last Qtr.	Current Quarter	YTD for FY					
Skill Development (Apex) on Footwear for SME	Person Days	0	8580	8580	11700	73%	26605	
	Total Recipients	0	110	110	150	73%	635	
Local Cluster Training-Shafipur on Footwear for SME	Person Days	0	3120	3120	3900	80%	3120	
	Total Recipients	0	40	40	50	80%	40	
Training on Pattern Making for Footwear of SME	Person Days	0	0	0	600	0%	-	Due to unavailability of external Trainer. 20 short will be made up during the year
	Total Recipients	0	0	0	20	0%	-	
Local Cluster Training - Daudkandi on Footwear for SME	Person Days	0	0	0	4500	0%	-	50 short due to contract delays. Deviation will be made up during the year
	Total Recipients	0	0	0	50	0%	-	
Advanced Training at Savar Cluster on Footwear for SME	Person Days	0	4680	4680	4680	100%	4680	
	Total Recipients	0	60	60	60	100%	60	
Designing Training on Footwear (Japan) for SME	Person Days	0	462	462	0	α	462	Done due to program needs
	Total Recipients	0	22	22	0	α	22	
Skill Development Training-Madina on Footwear for SME	Person Days	0	9360	9360	0	α	9360	Done due to program needs
	Total Recipients	0	120	120	0	α	120	

JOBS Quarterly Report – first quarter FY 2001

Training Activities	1 st Quarter FY 2001 (Per person days) & (total recipients trained)				Target (YTD)	% Target Achieved	Project Total to-date	Major Causes of Deviation
	YTD to last Qtr.	Current Quarter	YTD for FY					
Skill Development - Apex on Leather Craft for SME	Person Days	0	7800	7800	7800	100%	7800	
	Total Recipients	0	100	100	100	100%	100	
Local Cluster Training- Munshigang on Leather Craft for SME	Person Days	0	11700	11700	11700	100%	11700	
	Total Recipients	0	150	150	150	100%	150	
Skill Development on Vegetable Dying for SME	Person Days	0	126	126	120	105%	446	
	Total Recipients	0	21	21	20	105%	81	
Skill Development on Block Printing for SME	Person Days	0	0	0	0	-	334	
	Total Recipients	0	0	0	0	-	37	
Reactive and Vat Dying for SME on Textile	Person Days	0	0	0	50	0%	0	Collaboration program with the Govt. Delays due to maintained all procedural actions. 10 short will be covered during the year
	Total Recipients	0	0	0	10	0%	0	
Designing on Textile for SME	Person Days	0	0	0	450	0%	0	15 short due to contract delays. Deviation will be made up during the year
	Total Recipients	0	0	0	15	0%	0	
Workshop on Footwear for SME	Person Days	0	0	0	0	-	119	
	Total Recipients	0	0	0	0	-	119	

JOBS Quarterly Report – first quarter FY 2001

Training Activities	1 st Quarter FY 2001 <i>(Per person days) & (total recipients trained)</i>				Target (YTD)	% Target Achieved	Project Total to-date	Major Causes of Deviation
	YTD to last Qtr.	Current Quarter	YTD for FY					
Basic Business Management, Marketing & Loan Application Procedure	Person Days	0	66	66	60	110%	2350	
	Total Recipients	0	22	22	20	110%	758	
Costing, Pricing & Promotion for Woman SME	Person Days	0	0	0	0	-	235	
	Total Recipients	0	0	0	0	-	97	
Workshop on SME Development Issues for SME	Person Days	0	0	0	0	-	257	
	Total Recipients	0	0	0	0	-	257	
Workshop on handloom/ Handicrafts Marketing & Development Assistance for SME	Person Days	0	0	0	0	-	220	
	Total Recipients	0	0	0	0	-	110	
Bank SME Client Training	Person Days	0	0	0	0	-	984	
	Total Recipients	0	0	0	0	-	328	
Understanding and Financing Special Needs of SMEs for Bank Officer	Person Days	0	0	0	250	0%	1000	Due to year closing, didn't get participants. 25 short will be covered during the year
	Total Recipients	0	0	0	25	0%	100	
MEDU Branch Bank Officer	Person Days	0	0	0	0	-	90	
	Total Recipients	0	0	0	0	-	15	

JOBS Quarterly Report – first quarter FY 2001

Training Activities	1 st Quarter FY 2001 <i>(Per person days) & (total recipients trained)</i>				Target (YTD)	% Target Achieved	Project Total to-date	Major Causes of Deviation
	YTD to last Qtr.	Current Quarter	YTD for FY					
Office 2000 for SME	Person Days	0	0	0	0	-	360	
	Total Recipients	0	0	0	0	-	20	
JOBS Staff Training on LAN Administration	Person Days	0	6	6	6	100%	6	
	Total Recipients	0	2	2	2	100%	2	
JOBS Staff Training on EDBM TOT	Person Days	0	35	35	0	α	95	Done due to project needs
	Total Recipients	0	7	7	0	α	12	
JOBS Staff Training on Basic TOT	Person Days	0	0	0	5	0%	0	Staff yet to be hired. Short will be covered during the year.
	Total Recipients	0	0	0	1	0%	0	
Experience Sharing Workshop - ME	Person Days	0	0	0	0	0	2330	
	Total Recipients	0	0	0	0	0	233	

VIII. Financial

As previously stated, the financial management of the entire Project is a daily activity. All Team Leaders are aware of this responsibility and have performed accordingly. All Programs and the overall Project are either at or below previously budgeted amounts. The attached R4 recap will demonstrate this comparison.

IX. Planned for Next Quarter

The Project expects no major deviations of planned activities from those highlighted and described in the Strategic Business Plan, along with a continuation of previous interventions and TA. However, this quarter the Project will renew its emphasis and priority on its Policy agenda (which actually began in October 2000) that will carry through the life of the project. This will include:

- A high-level E-Commerce Workshop is planned for January 14, 2001 in conjunction with the Ministry of Planning and the Ministry of Science and Technology. The focus of the one-day event will be to set a direction and the course, along with relevant policy issues necessary for Bangladesh to actively participate in the E-Commerce revolution. A second major E-Conference is to be held near the end of the quarter or early next quarter to present the formal recommendations from the first workshop with the Prime Minister opening.
- Hiring an expatriate with expertise in Access to Credit issues, to include Lease Financing and Secured Credit Issues.
- Develop a work plan for Access to Credit issues that will run through the remaining term of the Project.
- Identify external networking necessary to implement or facilitate policy changes.
- Initiate Short Term Technical Assistance (STTA) to facilitate the drafting of the Secured Lending Law, via Allen Welsh.
- Select Bangladesh Legal Drafting Team for the "Secured Lending Law".
- Conduct two 2-day workshops on "Secured Credit".
- Complete a final draft of the "Secured Lending Law".
- Build a strategy to advocate the promotion of the draft lending law.
- Develop a working relationship with the Bangladesh Leasing Association.
- Determine interventions necessary and warranted in regards to Lease Financing.
- Investigate the need and viability of reform in regards to Leasing and determine Project direction.

In support of - and as a compliment to the major Policy activities, the Loan Facilitation Program will:

- Conduct two Bank Officers Training on "Understanding and Financing the Special Needs of SMEs" in cooperation with the Bangladesh Institute of Bank Management (BIBM). National and private commercial bank officers will attend the workshop.

- Sign the proposed MOU between JOBS and Bank of Small Industries and Commerce Bangladesh Limited (BASIC). Upon the signing of this MOU between BASIC and the Project, each will commence the implementation in this quarter.
- Finalize the negotiations in regards to the MOU with Prime, National and Islami Banks.
- Continue assisting, with hopes to finalize, financing facilitation through a commercial bank for two SME clients (Milton Candle Company and Salam Electrical Engineering), and a new SME client (Papon Fabrics).

Additional significant events / activities that should be highlighted include:

- The Silchar (India) Trade Fair is being arranged and scheduled for the next quarter. Constant delays on various aspects from the Indian government make a fixed date impossible to determine at this time. This will be a single country trade fair that will be held in Silchar, India by Sylhet Chamber of Commerce and the Silchar Chamber, in association with JOBS. The fair will promote products from Bangladesh, which have great demand in that region. The Project believes that this will open a whole new market for Bangladeshi products and is the first step in developing regional trade.

Because of the extreme economic and political importance of this event, the Project will not hold the fair until all is order. Activities from this fair may find themselves into the Project's policy agenda.

- Signing of an MOU with the Federation of Bangladesh Commerce and Industry (FBCCI). This is the apex body for all chambers and has significant prestige and influence. The Project will provide TA to the FBCCI, via capacity building to better enable it to assist other Chambers, and the FBCCI will assist the Project on key advocacy issues involving our Access to Credit agenda.
- The New York Home Textile Show is scheduled for March 30, 2001. The Project will select 5-6 enterprises to attend and contribute 60% of the total cost with the enterprise paying the remainder. The objective will be to allow Bangladeshi products to compete openly on the world market. The positive reception and feedback given Bangladeshi entrepreneurs at last year's fair dictates the continued involvement in this year's event. Not only does an event of this magnitude help the enterprises directly involved, but it also enriches the image of all Bangladeshi products.
- Syhlet Trade Fair in association with the Syhlet Chamber of Commerce and Industry (SCCI). This will be the second such Fair in Syhlet and will feature both SME and ME producers.
- The initiation of the Project's Hill Tracts Program with a signing ceremony scheduled in late January in Chittagong with the City Mayor in attendance. The Program will be a joint collaboration between JOBS, ActionAid and Green Hill.

Other programmatic activities will include:

- Development of training modules designed for the tribal entrepreneurs.

- Providing training on basic business development skills and marketing strategies to 200 tribal entrepreneurs
- Development of 12 resource persons (10 from tribal community and 2 from the mainland) on "Cooperative Marketing" to support the mobilization work in the tribal areas
- Specialized skill development training to 25 entrepreneurs working with indigenous products
- Strengthening the efforts on marketing policy changes within the tribal areas
- Developing marketing linkages at least in two areas covering about 300 enterprises
- Development of 'clusters' with ME producers in coordination with SMEs
- The ME Program is going to begin working with several newly selected enterprises during the 2nd quarter in which the MEs will receive EDBM training

Note: Since these will be new, there is minimal scope for creating employment. However, the employment creation will start increasing from 3rd quarter. We expect no deviations from budget numbers.

- **Local Cluster TA in Daudkandi:**
 - This will be a new cluster developed to do sub-contracting for the export-oriented footwear industry
 - The cluster will be developed in Daudkandi, just besides the Surma Footwear factory
 - Surma Footwear Limited will conduct the TA for 50 unskilled workers in association with JOBS
 - The cluster will be the sole hand stitching unit of Surma footwear limited
 - This cluster will be specially developed for hand-made/jute shoe production
 - JOBS will bear 50% of the total cost - US\$ 4,000
 - Legacy Footwear Limited will pay the remainder (50%, US\$4,000) since the cluster will be a dedicated supply chain

- **Local Cluster Training with FOB:**

The Project will open a new cluster in association with Friends of Bangladesh (FOB), an NGO working with poor workers of Bangladesh. The TA program will:

 - be a three month long TA program held during January-March'2001
 - be for 60 workers who will be trained on hand made footwear production
 - the trainer will be selected by Friends of Bangladesh (FOB)
 - JOBS will bear 70% of the total cost - US\$ 3,000
 - Friends of Bangladesh will pay the remaining 30%

- **Training on Pattern Making and Grading:**

As a part of the Project's long-term plan, it has decided to provide specialized technical training this year. There will be one specialized training in each quarter on different subjects in association with the Footwear Design and Development Institute (FDDI), India.

- The training this quarter will be on pattern making and grading, a very crucial part of export footwear production
 - 20 trainees from 6 firms will participate
 - The trainer will be from FDDI, India
 - JOBS will bear 62% of the total cost - US\$5,000
 - The 6 firms will jointly bear the remaining US\$3,000
- **Design Development Training for Europe and Australian Market**
The Project has targeted the France and Australian markets for development for export footwear. The lack of market and trend design has been a major problem for the footwear industry of Bangladesh for a long time. To address the issue and to achieve greater success our efforts to explore new markets, the Project will arrange line development training for the Europe and Australian market. A trainer from Italy will be sourced to work with five firms to develop 40 new models. The total cost will be shared 40/60.
 - The Project will arrange two-design development programs for six months in association with a local designing institute affiliated with institutes in Singapore and the UK. 10 designers will work with 5 leather goods firms on a shared cost basis.
 - The Project will work in association with the Bangladesh Handloom Board (BHB) to develop a training program on reactive dye for all Bangladeshi textile exports. The Project, in collaboration with BHB, will begin by organizing a number TA programs on this topic in which participants will participate in a one-month long training.

As training is a major conduit to the Project's activities below is a synopsis of planned trainings by category to-date.

SME

Footwear

➤ Training on Pattern Making and Grading	30 days	20 Trainees
➤ Local Cluster Training in Daudkandi	90 days	50 Trainees
➤ Local Cluster Training in Bhola	90 days	60 Trainees
➤ Local Cluster Training in Gazipur	90 days	50 Trainees
➤ Skill Development Training at Jennys	90 days	120 Trainees
➤ Supervisor Training with FDDI	30 days	20 Trainees
➤ Design Development Training for Europe and Australia	30 days	20 Trainees

Handicrafts

➤ Vegetable Dying Training	6 days	25 Trainees
➤ Designing & and Quality Control Training	5 days	12 Trainees
➤ Product Development training	5 days	12 Trainees
➤ Salesmanship Training	3 days	20 Trainees

- Buyers Communication Training 3 days 20 Trainees

Textile

- Reactive and Vat Dyeing 5 days 60 Trainees
- Designing Training 15 days 30 Trainees
- Quality Control Training 15 days 30 Trainees
- Basic Business Management Training 3 days 20 Trainees
- Salesmanship Training 5 days 20 Trainees
- Buyer Communication Training 5 days 20 Trainees

Leather Crafts

- Advanced Munshiganj Cluster Training 90 days 150 Trainees
- Design Development Training 20 days 10 Trainees
- Worker Training at Crown leather 24 days 40 Trainee

ME

- EDBM TOT Refresher for BURO, Tangail's EDWs 3 days 25 Trainees
- EDBM TOT for SSS, Yogsutra, Gashful, Green Hill, YPSA and Action Aid's EDWs 12 days 67 Trainees
- EDBM Training for TMSS, CDS, SF, BURO Tangail, SSS and Yogsutra's ME Clients 6 days 4050 Trainees
- Specialized Skill Development Training 5 days 50 Trainees

Loan facilitation-SMME

- Training on Understanding and Financing The Special needs of SME 10 days 40 Trainees

E-Commerce and ICT

- Training on E-Commerce for SME Clients 24 days 20 Trainees

JOBS Staff Development Training

- Advance Computer Training 3 days 10 Staff
- Management Leadership Training 2 days 6 Staff
- Grants Administration and Financial Management 5 days 4 Staff

JOBS - R4 Recap

Strategic Objective 5 - Growth in Agribusiness and Small Business

Period: FIRST Quarter FY 2001 (Oct.-Dec. 2000) & YTD FY 2001

Reporting Period	YTD-Dec.	Quarter	YTD-Total	R-4 Target	Benchmark
SO Indicator					
1. Sales growth (million \$)	4,890	4,890	4,890	9,320	10,000
2. Exports growth (million \$)	0,810	0,810	0,810	0,080	0,090
3. Jobs growth (Total)	1,546	1,546	1,546	14,224	15,600
Male	961	961	961	7,538	8,268
Female	585	585	585	6,686	7,332
IR Indicator					
5.1 More market-oriented policies, laws and regulations					
1: # of new market oriented policies, laws, regulations & practices adopted	0	0	0	3	4
5.2 Stronger business support institutions					
1: Value of capital provided by USAID assisted financial intermediaries (\$M)	0.000	0.000	0.000	0.420	0.465
2: # of IFIs supported	14	14	14	60	35
5.3 Stronger market/product development					
1: # of enterprises that enter new geographic markets	90	90	90	2	10
2: # of enterprises that introduce new products/services	81	81	81	0	5
5.4 Improved products and services					
1: # of enterprises that improve product/service quality	78	78	78	0	2
2: # of enterprises that reduce unit production costs	63	63	63	0	2
5.5 Increased access to capital					
1: Value of capital raised from all external sources (\$M)	0.184	0.184	0.184	0.240	0.269
OTHERS					
# of enterprises/household assisted	7,639	7,639	7,639	6,017	8,000
Male	3,175	3,175	3,175	1,854	2,425
Female	4,464	4,464	4,464	4,163	5,575
\$ expended (in million)	0.734	0.734	0.734	2.493	2.493