**The Challenge**

Often in traditional development projects, the benefits of the project are realized in the target communities for as long as the development partners are engaged to organize initiatives and incentivize community engagement and individual participation. Yet when the project and funding concludes and the development partners withdraw, the project beneficiaries can revert to their previous behaviour and any advances achieved during the project can be lost. Therefore focusing on sustainability is crucial to generating lasting impacts. In rural agricultural communities this sustainability is often dependent upon the strength of local grassroots institutions that continue to provide services beyond the duration of the action.

**The Goal**

ANEP's goal was to empower grassroots institutions to secure gains in food security and nutrition for poor and vulnerable families. ANEP employed the Participatory Market Chain Approach (PMCA) to build grassroots institutions with local leadership. These new local leaders are incentivized by the market to stay in existence after the conclusion of the project, resulting in sustainable and exponentially multiplying results. Such institutions galvanize communities and ensure that smallholders are better able to engage with local trading systems.

Specific activities included:

1. Identifying and selecting existing and new local service providers and training them in new technology-service provision businesses.
2. Developing, strengthening and linking community, public and private institutions to extend new technologies and develop market chains using PMCA at the grassroots level.
3. Developing exchange and systems for exchange of Bangladesh and Nepal technologies and links between the national research systems, private companies, and grassroots institutions.

**Consortium Partners**

The Agriculture and Nutrition Extension Project (ANEP) is a partnership between International Development Enterprises (iDE), World Fish, CIMMYT, IRRI, Save the Children International, CODEC, CEAPRED and BES and is funded by the European Union (EU). The project seeks to sustainably raise agricultural productivity and promote effective market linkages to improve the nutrition of poor rural and urban households in the south of Bangladesh and the Nepali plains.

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**CASE STUDIES**

**Vermicompost Farm Business Group (FBG), Barisal Sadar**

The ANEP-facilitated vermi compost FBG offers training and interest-free financial support to help farmers establish compost plants. It collects BDT 50 from each of its 40 members at the monthly meeting, and has established a bank account with BDT 35,000 from members’ fees and sales commissions. So far it has distributed some BDT 96,000 to support 12 new producers.

**Nitta Nandan Debanath, Exposure Visit Participant, Syostobod, Barisal**

Mr. Nitta initially cultivated vegetables for his family’s consumption only. Through ANEP he visited project sites in Bholia, Jessore and Mymensingh to learn about commercial off-season vegetable gardening. After the exposure he increased his land area for vegetable cultivation using new technologies. Last year he sold c. BDT 36,000 worth of vegetables directly in retail and wholesale markets, and has shared his knowledge with other farmers in the Barisal area.

**Yunus Akon, Farm Business Advisor (FBA), Charbaria, Barisal**

Mr. Yunus helps farmers get quality seedlings and technical information on vegetable cultivation. His specialties are soil purification, quality seed selection, bed preparation, and intercultural management. ANEP helped link him with seed companies to ensure he can quality seeds. Last year he earned an additional BDT 20,000 selling quality seedlings in the local market. He has already ordered seeds for the next season and will cultivate more land for seedling production.

ANEP enabled farmers to organize to capitalize on their profits and expand their community and network.

ANEP helped organize farmers to capitalize on their profits and expand their community and network.

ANEP exposed farmers to new technologies and supported the transfer of technologies to whole communities of farmers.

ANEP linked farmers with technical experts, improving the quality of produce and helping the experts grow their businesses.

**ANEP RESULT 3: DEVELOP GRASSROOTS INSTITUTIONS**
ANEP understood that if long-term sustainability is to be achieved, smallholder farmers and urban communities, its role must be temporary and catalytic, and that wider systemic outcomes must be achieved in the market. Therefore ANEP employed the PMCA to build the capacity of private sector actors, create and expand market infrastructure, nurture existing local institutions, and develop new ones. ANEP activities focused on developing and establishing grassroots organizations that help create and sustain business opportunities. This included:

• Strengthening rural marketing cooperatives (known as farm business groups) to improve smallholders’ access to food and increase their bargaining power. ANEP created new institutions to support the production and sale of new commodities, and developed the capacity of existing institutions to improve their effectiveness for technology transfer and marketing. In urban areas ANEP developed management committees to support the sustainability of pushti-mela nutrition festivals.

• Facilitating access to rural collection centres to aggregate produce, and reduce the transaction costs associated with transferring technical and market information from traders to producers.

• Developing the capacities of existing technology providers to stock and supply farmers with new technologies, such as improved fish fingerlings, feeds, non-chemical agro-fertilisers, and varieties of vegetable and grain seeds. Durable business relationships generated through interactions facilitated by ANEP offer a means to access improved technologies and services after the project has withdrawn.

• Developing the capability of local technology services providers (LSPs) and Farm Business Advisors (FBAs). LSPs offer any of a range of services from being providers of providers of mechanized services such as axial flow pump irrigation, raised bed crop planting, joint seed-fertiliser sowing, and crop reaping and threshing using a ‘fee-for-service’ model. FBAs introduce new technologies, provide produce collection services, and facilitate access to improved agricultural inputs and services.

• Organising exchange visits for high potential smallholders, both locally within Bangladesh to different established project sites, and internationally between Nepal and Bangladesh to support technology transfer through peer to peer diffusion.

The overall objective of Result 3 was to establish grassroots institutions for technology transfer, and to develop, nurture and sustain the marketing of surplus production.

Impact of the Project*

Evidence suggests that ANEP has had a significant impact on not only what beneficiaries were able to produce and sell, but also on the extended value chain of ANEP-affiliated service providers. Across all sectors the beneficiaries sold an average of 79% of their produce, and the value chain sold nearly 84% of what it produced, both higher than the control group (69%).

ANEP reached over **33,000** households indirectly through strengthening local service providers

**Lessons Learned**

Improving the viability of the business models of market actors is the key to sustaining results once the development partner has withdrawn.

ANEP staff understood that sustainability of the project results was tied to incentivizing key market actors to continue engaging in the desired activities. The staff intervened to support and improve the business models of FBAs, FBGs, and management structures for infrastructure such as collection points and urban market committees in order to maintain the services established through the project.

Exposure visits are effective for changing smallholders’ behaviours.

ANEP organised exposure visits within Bangladesh and to Nepal to build the capacity of key market actors. The visits were targeted to provide exposure to the best practices most relevant to the adoption of particular technologies or practices. They were found to be highly effective, especially with maize producer and aquaculture hatchery visits to the more productive northern and western regions of Bangladesh.

**Guiding Principles**

- Focus on incentives for smallholders and market actors to continue providing the service after ANEP has withdrawn.
- Accommodate the beneficiaries’ preferences.
- Tackle underlying problem causes rather than symptoms.
- Tailor interventions according to the area in which they are being implemented.
- Leverage existing local resources for maximum efficacy and sustainability.
- Be ready to transition activities to market actors and exit as early as possible.

**Nurturing Grassroots Institutions to Strengthen the Local Market System**

- **Private Sector Actors/ Public Sector**
  - Source of new improved technologies
  - Purchase large volumes of commodities
  - Provide resources and political support

- **Farm Business Groups**
  - Source of demand for aggregated commodities
  - Provide financial, social & political support
  - Represent interests of producer groups

- **Farm Business Advisors**
  - Provide market information and opportunities
  - Source of agronomic advice
  - Develop and access new producers

- **Producer Groups**
  - Focus point for collaborative business planning and financial support
  - Source of demand for service providers and inputs
  - Provide social capital and peer-to-peer learning opportunities

- **Individual Producers**
  - End-users of technologies and inputs
  - Producers of agricultural commodities

**Effectiveness of the Project***

The effectiveness of Result 3 was assessed based on whether the food security and nutrition of rural and urban poor, especially women and children, improved through market linkages for technology, inputs, services and produce. ANEP exceeded all but one target, and was within 3% of achieving all targets. Therefore, the effectiveness of the project was assessed as highly satisfactory.

Summary of ANEP Achievement Against Expected Result 3 Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>Achieved</th>
</tr>
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<tbody>
<tr>
<td>Core and other direct beneficiaries receiving quality services and inputs from trained local SP</td>
<td>75%</td>
<td>72% ✔</td>
</tr>
<tr>
<td>Poor core households lifted out of poverty</td>
<td>30%</td>
<td>56%** ✔</td>
</tr>
<tr>
<td>New public-private, public-private and private sector partnerships established in Bangladesh</td>
<td>10</td>
<td>38</td>
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