This study is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of iDE, a sub-recipient of ACDI/VOCA, and do not necessarily reflect the view of ACDI/VOCA or USAID or the United States Government.
This study was a collaborative effort between Helen Keller International (HKI) and iDE and prepared by Ramona Ridolfi, Gender Manager (HKI); Tui Swinnen, Monitoring and Evaluation Advisor (HKI); Richard Rose, Technical Director of Programs (iDE) and Zahra Khan, Technical Specialist - Gender and Market Development (iDE). The study was conducted under the USAID funded Program for Strengthening Household Access to Resources (PROSHAR) led by ACDI/VOCA. iDE and HKI are grateful for the generous support and technical guidance of ACDI/VOCA in the preparation of this work.

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<th>Definition</th>
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</thead>
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<td>AP</td>
<td>Aggregation Point</td>
</tr>
<tr>
<td>CP</td>
<td>Collection Point</td>
</tr>
<tr>
<td>CPMC</td>
<td>Collection Point Management Committee</td>
</tr>
<tr>
<td>FBA</td>
<td>Farm Business Advisor</td>
</tr>
<tr>
<td>FBG</td>
<td>Farm Business Group</td>
</tr>
<tr>
<td>FFS</td>
<td>Farmer's Field School</td>
</tr>
<tr>
<td>ILAF</td>
<td>Intervention Logic Analysis Framework</td>
</tr>
<tr>
<td>JCF</td>
<td>Jagorani Chakra Foundation</td>
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<td>MDA</td>
<td>Market Development Approach</td>
</tr>
<tr>
<td>MFI</td>
<td>Micro Finance Institution</td>
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<td>MT</td>
<td>Master Trainer</td>
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<td>M4P</td>
<td>Making Market Works for the Poor</td>
</tr>
<tr>
<td>PG</td>
<td>Producer Group</td>
</tr>
<tr>
<td>PNGO</td>
<td>Partners Non-Government Organization</td>
</tr>
<tr>
<td>PROSHAR</td>
<td>Program for Strengthening Household Access to Resources</td>
</tr>
<tr>
<td>PSA</td>
<td>Private Sector Actor</td>
</tr>
<tr>
<td>PSPM</td>
<td>Production and Sales Planning Meeting</td>
</tr>
<tr>
<td>RRF</td>
<td>Rural Reconstruction Foundation</td>
</tr>
<tr>
<td>UP</td>
<td>Union Parishad</td>
</tr>
</tbody>
</table>
Introduction

The USAID-supported Program for Strengthening Household Access to Resources (PROSHAR), led by ACDI/VOCA, has been working to reduce food insecurity and increase resilience among vulnerable rural households in the Khulna division of Bangladesh since 2010. PROSHAR addresses nutrition, food availability and access through an integrated approach that increases the income of the poor and ultra-poor households in working areas. The project has selected three (3) sub-intermediate results, which are: (1) to increase and diversify agricultural productivity; (2) to develop and strengthen market linkages; and (3) to expand and diversify non-agricultural opportunities. In April 2013, iDE received a sub-grant from ACDI/VOCA to facilitate a capacity building initiative for partner NGOs (PNGOs) to implement market development interventions with PROSHAR participants for both Farm and non-farm products and ultimately assist PROSHAR beneficiaries to create sustainable market linkages. This component of PROSHAR is called 'Enhancing Market Linkages (EML)' and for the remainder of the document, will be referred to as 'PROSHAR-EML'.

PROSHAR-EML works in three upazilas of the Khulna Division: Batiaghata, Lohagara and Sarankhola. The project develops specific areas of market infrastructure and targets poor and ultra-poor producers to support better access for vulnerable groups into the local market system. Through PROSHAR-EML, a total of 7500 beneficiaries are reached across the three upazilas (2500 producers in each), organized into Farm Business Groups (FBGs) of approximately 100 members each. Each FBG is led by a Farm Business Advisor (FBA) and specializes in one of eight subsectors: bamboo, craft, poultry/duck, pond fish, vegetables, goat, sesame, karchupi\(^1\), and tailoring. iDE has facilitated the development of good business practices amongst the market actors, such as aggregation and bulking of products by FBG members through FBA leaders, and the establishment and use of Collection Points (CPs) to support increased access of more vulnerable groups to local markets. iDE has also supported the development of group-based linkages with larger local and regional buyers. These traders have been purchasing products and commodities from FBGs and selling them to regional and national markets.

![Bamboo producers in Sharankhola aggregating goods](image)

As the wider PROSHAR comes to a close, it is important to understand whether the market infrastructure developed under PROSHAR-EML will continue to work in the interest of the poorest and most marginalized farmers, such as women. To understand this, it was necessary to explore the concept of market governance and how the local market system in the context of PROSHAR could be sustainably enhanced to benefit the poorest and excluded. Therefore, in October 2014, iDE contracted Helen Keller International (HKI) to conduct a Market Governance Study to explore the dynamics between the market actors in PROSHAR and provide recommendations for

\(^1\) Karchupi is a Bengali word for a local type of embroidery
interventions that can be deployed within the final six months of the program (approximately January-June 2015). The study had a particular emphasis on (1) understanding the incentives of the principle actors in the market system, and how strong the accountability relationships are between actors; (2) exploring the process through which the FBAs do business with the PSAs (Private Sector Actors, or the Output Buyers) and producers; and (3) identifying women’s ability to access markets, particularly in relation to the development of female FBAs (F-FBAs) under PROSHAR-EML.

For the field research, data collectors were deployed by HKI to conduct in-depth, semi-structured interviews of key market stakeholders across the three target districts: Batiaghata, Lohargara and Sarankhola. Data was analyzed and tabulated by the HKI team and used to inform an intervention design workshop at iDE in late December 2014. At the workshop, a combined iDE and HKI team agreed on key findings from the data and used the Intervention Logic Analysis Framework (ILAF) as a conceptual tool for guiding the identification of interventions in the local market system.²

This document serves as the final output of the HKI-iDE collaborative process; it outlines the understanding of the concepts of market development, market governance, and gender employed to assess the strengths and weaknesses of the accountability relationships shared between different market actors and the methodologies employed to collect and analyze the data. The key purpose of the study is to provide a road map for interventions that can be deployed to strengthen governance in the local market of the PROSHAR working areas. As such, despite some differences between upazilas, the key findings and recommended interventions are necessarily generalized (where targeting is required in one particular area this is emphasized) in order to provide clarity and simplicity. It is anticipated that this road map will be followed up with further work to detail out the activity packages and implementation plan to deliver on the interventions identified here.³

² The key findings and recommended interventions here are the product of the collaborative nature of the design process and do not represent the views or interpretations of any

³ HKI and iDE plan to hold a workshop upon start of the interventions phase.
### 2.1 The Market Systems Approach in PROSHAR-EMIL

#### Objective per phase

<table>
<thead>
<tr>
<th>Phase</th>
<th>Market chain actors</th>
<th>Leading R&amp;D institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>To get to know the different market Chain actors, with their activities, interests, ideas and problems etc</td>
<td>Interest</td>
</tr>
<tr>
<td>Event 1</td>
<td>Market chain survey</td>
<td>Trust</td>
</tr>
<tr>
<td>Phase 2</td>
<td>To analyze in a participatory manner potential joint business opportunities</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Event 2</td>
<td>Work in thematic groups</td>
<td></td>
</tr>
<tr>
<td>Phase 3</td>
<td>To implement joint market innovations</td>
<td></td>
</tr>
<tr>
<td>Event</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Event</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2.1.1 Making Markets Work for the Poor (M4P)

The interventions iDE deployed in PROSHAR-EMIL were based upon an application of the Making Markets Work for the Poor (M4P) approach. M4P is rooted in the understanding that developing local market systems is the best way to bring about sustainable change to benefit poor rural communities. The M4P approach seeks to make markets more inclusive of the poor, and to work effectively and sustainably. It requires development agencies and other external actors to play a facilitation role in the market system that is temporary and catalytic, seeking to leverage the power of markets to bring about large-scale and enduring change.\(^4\)

M4P contrasts with traditional livelihood programs which, although effective at reaching the poorest, are often supply-driven, operating standard 'asset-transfer' models with decision-making taken by external agencies and with heavy subsidies for capital costs. Such models may realize gains during the project period, but they cast the project as a 'service provider' of inputs, circumventing and weakening the ancillary services upon which rural farm businesses depend and rendering farmer groups as beneficiaries of 'aid' rather than autonomous producers and consumers. M4P asserts that long-term sustainability can only be achieved through creating the conditions for local private sector and other market actors to provide ongoing solutions beyond the duration of the temporary and catalytic development project.

#### 2.1.2 Application of M4P in PROSHAR-EMIL

In PROSHAR-EMIL, M4P principles were applied using a Participatory Market Chain Approach (see Figure 1) to develop the local market and make it work better for poor and vulnerable small-holder producers of both farm and non-farm products and commodities (specifically: bamboo craft, poultry/duck, pond fish, vegetables, goat, sesame, karchupi production and tailoring). PROSHAR-EMIL linked private sector actors (PSAs), such as traders, agro-inputs dealers, and other local service providers (LSPs), with small-holder farmers which lead to an increase in the transfer of affordable technologies, market information, and other services. To achieve this, PROSHAR-EMIL sought to integrate both a bottom-up strategy to build the capacity of the poorest farmers who are the target beneficiaries and make them more market ready, and a top-down strategy to encourage and incentivize upstream market actors to engage with these poorest farmers.

Successful implementation of a market systems development project encourages private sector actors to focus on the project beneficiaries as the main source of benefit (as potential consumers) rather than the project

---

Itself. As such PROSHAR-EML’s strategy comprised a modification in the project’s implementation approach from the initial strategy developed for PROSHAR. The approach consisted of building upon the social, intellectual, and financial capital developed amongst the beneficiaries in the initial phases of PROSHAR, and shifting the orientation of the beneficiaries and market actors towards each other as agents of their own development. In order to begin building the capacity of producers and to assist them in developing stronger links to more market-viable farmers and PSAs, project staff capacity was enhanced to engage as ‘facilitators’ - creating sustainable linkages between actors in the market - rather than ‘implementers’ of training on other direct interventions. The nature of facilitating links between various types of producers and PSAs necessitated a flexible approach with project activities built around the preferences and requirements of market actors, rather than needs of the producers only. PROSHAR-EML focused on identifying opportunities by constantly investigating and analyzing the market to determine the need to recalibrate interventions.

The core market infrastructure developed under PROSHAR-EML includes: Farm Business Groups (FBGs), Farm Business Advisors (FBAs) and Collection Points (CPs).  

\[\text{Figure 2: Market infrastructure developed under the PROSHAR-EML project includes Farm Business Groups (FBGs), Farm Business Advisors (FBAs), Collection Points (CPs) and the development and linkage facilitation with Local Service Providers. Figure reproduced from iDE, 2013.}\]

\[\text{5 Please see page 14 for definitions of these institutions.}\]
2.2 Gender and Market Governance

2.2.1 Formal and Informal ‘Rules’

Market governance can be understood as the formal or informal rules that affect the behavior of various economic actors in a particular market system. This includes individuals, businesses, non-commercial organizations and governments. Generally, while formal rules are enforced by official entities such as the police, judiciary, and government bureaucracies, informal institutions are largely represented by people excluded from formal economic rules. Such institutions are governed by ‘behavioral regularity based on socially-shared rules, usually unwritten, that are created, communicated, and enforced outside of officially-sanctioned channels’ where it is the interest of the majority to maintain the status quo.

In such cases, market governance can be understood to be set by a multitude of self-enforcing institutions through various mechanisms of obligation. Examples can include, in the rural agricultural context, various non-formalized farmers’ associations, cooperatives, village development committees (VDCs) and other informal or semi-formal institutions. The role of informal influences upon rural economies is increasingly being recognized in the development literature. In its thirty years of experience working in market development in rural Bangladesh, iDE has found, particularly amongst poor and rural communities, that informal rules play a predominant role in influencing local market systems. Therefore, in projects which seek to influence the poorest and most vulnerable in these systems, it is necessary to understand how such local systems operate and the power dynamics which underpin them.


7 See: Indra de Soysa, Associate Professor, Norwegian University of Science and Technology, Trondheim, Norway and Johannes Jüttig, Senior Economist, OECD Development Centre, Paris. OECD Development Centre and Development Assistance Committee – Network on Governance International Seminar on ‘Informal Institutions and Development–What do we know and what can we do?’ Available at: http://www.oecd.org/dac/governance-development/37790393.pdf

1. **Accountability:** refers to a relationship between a principal and an agent. The principal has the role of delegating tasks, financing the provision of these tasks, and enforcing sanctions if these tasks are not completed at an acceptable standard. The agent can be described as the "accountable actor" who has the role of performing their delegated tasks, and informing the principal on progress, as well as providing any other information required by the principal. From this perspective, accountability can be understood as a relational process describing a specific relationship between two actors (institutions or individuals).

2. **Transparency:** implies that people can obtain information about the rationale underlying decisions, decision-making criteria, the intended manner of implementing a decision, and any insight into its effects.

3. **Non-Discrimination:** means that no group may be excluded from power and resources. This implies that proactive public integration policies for excluded or marginalized groups need to be implemented. Non-discrimination policies have to be applied for the expressed purpose of reducing inequalities between men and women, urban and rural populations, and between different ethnic groups.

4. **Participation:** implies that all population segments need to be connected to the political and social processes that affect them. This means that public fora exist where different groups can express dissenting opinions and personal interests, and where these viewpoints are treated as serious input in the decision-making process.

5. **Efficiency:** implies that financial and human resources are used in optimal fashion (in other words, the target is fixed in relation to the resources, or the resources are adapted to the fixed target), without waste, corruption, or delays."  

The framework for this study draws upon SDC’s five principles of good governance for how 'good' market governance can be understood and facilitated through project interventions.

### 2.2.3 Gendered Spaces for Women’s Entrepreneurship in Bangladesh

Gender is a social construct which specifies the socially, culturally and traditionally prescribed roles that men and women generally follow because it is considered appropriate within a given society. It also influences the relationships between women and men, which are characterized in different ways and across different institutional spheres by power.

In socially patriarchal spaces such as those which exist in much of rural Bangladesh, women’s mobility outside the household and decision-making ability are both very limited. Women hardly participate in agricultural activities outside their homestead and usually their contribution to socio-economic development is not visible, due to social norms that enable men to dominate women. In market-related terminology, women are less involved in interfacing with various market actors directly; their presence predominates in the informal economy. As a consequence, rather than the informal economy offering greater opportunity to create entrepreneurial ventures, the over-representation of women in the informal economy reinforces the perception

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of women as essential agricultural labor force at the bottom of the production, and invisible to the formal market spheres.\textsuperscript{14}

Given the rural Bangladesh context, activities for development initiatives should focus on how gender roles can be negotiated within the local society, rather than seeking to elicit more fundamental social changes, such as expecting women to access local markets. It has been argued by Ramani (2013) that for the development of women entrepreneurs within the informal economy it is necessary to develop gendered spaces for women to engage in ‘useful conversations in informal, non-intimidating, non-hierarchical settings that permits women to explore, experiment and discuss their way to business success.\textsuperscript{15} Ramani explains:

\textit{The construction of a unique environment adapted to local women’s needs provide spaces wherein women can gain access to resources, engage in dialogue, develop confidence and learn about successful women role models. Furthermore, mentorship and training through intermediaries can perform two distinct functions: (i) empower women as workers and entrepreneurs; (ii) and create business engagements that are compatible with local (patriarchal) social norms. […] Thus, more than formalization, business sustainability of both formal and informal economy organizations can be promoted through increasing inclusion of women via accompaniment in conversation corridors.}\textsuperscript{16}

This concept is useful in the context of PROSHAR-EML, which has engaged in the development of certain spaces to support the business activities of poor and vulnerable groups, particularly women, such as the CPs. It is important to note that a gendered space does not always mean a ‘women-only’ space. Often such women-only spaces are developed in bottom-up initiatives in order to build capacity and confidence prior to women engaging in real world mixed gender environments which are subject to the prevailing norms of patriarchy. In PROSHAR-EML these real world environments take the form of the various informal institutions which make up the market infrastructure developed under the project. These kinds of bottom up initiatives need non-intimidating, informal spaces for women to discuss their ideas and present them in co-ed discussions confidently.\textsuperscript{17}

### 2.2.4 Gender Barriers to Female Entrepreneurship

A market systems approach that aims to foster inclusive development must identify and address gender specific constraints to equal market participation. The exclusion of women from markets is a result of a non-supportive environment as well as women’s low self-confidence of their own capabilities.

Following qualitative research on gender in value chains in Ghana and Kenya\textsuperscript{18}, ACDI/VOCA observed that a successful gender-sensitive value chain depends on three critical areas of market behavior change:

1. \textit{Money Management} - the ability of women to control and accrue capital;
2. \textit{Business Practices} - the ability for women to access information, inputs, new technologies;
3. \textit{Value Chain Relationships} - the ability of women to interact with other individuals both horizontally and vertically within relevant value chains.

Using this three areas of desired market behavior change, the following gender-related concepts were identified as key constraints to women’s ability to participate in markets:

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\textsuperscript{14} Shyama V. Ramani et. al (2013), Ibidem.
\textsuperscript{17} Ibid., Shyama V. Ramani et. al (2013).
• **Mobility**: ability to leave the homestead to seize market opportunities without movement being scrutinized and controlled by others, ability to collaborate with peers and leaders.

• **Access to networks**: ability to develop business relationships and commercial networks is a critical part of market engagement. Due to social norms and restricted mobility, women are often limited to networks of relatives and community members, and thus are unable to engage effectively in markets. Further, limited networks mean women face greater social risks in doing business - they are less likely to 'bargain hard' with people who are members of their family and community, rather than with whom their relationship is 'strictly business'.

• **Savings and ability to accrue capital**: ability to make spending decisions and accrue sums for investment is critical for successful market engagement. Women face a number of challenges in accessing finance and accruing lump sums. Reliance on men to access points of sale mean that, usually, women do not necessarily get access to income derived from their activities, limiting women's decision making power within the household.

• **Time constraints**: the burden of household duties and time spent conducting unpaid and unrecognized domestic labor (cooking, cleaning, child care etc.), are all constraints to women's equal market participation and entrepreneurship.

• **Community attitudes**: conservative social norms and rigid views about acceptable male and female activities limit women's ability to participate in markets. Further, sexual harassment, particularly against young women, poses another threat to women's movement and engagement in business activities.

Vegetable PG members in a PSPM meeting

As demonstrated through ACDI/VOCA's research, barriers to women's participation in markets that are socially and culturally constructed cannot be overcome by imposing changes upon women and their families. It requires a behavior change process engaging with both women and men throughout the community to examine how power shapes relationships and access to opportunities among them. Based upon this understanding, development initiatives should foster an enabling environment promoting the recognition of women's skills and contribution to the formal market system.

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3 Methodology

3.1 Overview

The research was conducted using a mixed methods approach including a series of semi-structured interviews conducted in November 2014 with PROSHAR beneficiaries and a range of external market actors. The study sought to provide a thick analysis of the relationship between the current market structure as experienced by all relevant actors in order to evaluate the impact on the livelihood of PROSHAR beneficiaries.

3.1.1 Scoping Study

In late October, preliminary interviews were conducted by the research team with a range of project participants and relevant stakeholders in project areas (including FBAs, FBG members, local input sellers, output buyers, partner NGOs and field facilitators). The data collected from these interviews, along with desk-based research using early PROSHAR market assessments, helped create a market map (a written representation of the value chain) and a set of preliminary findings on project progress. The market map identified key actors and allowed researchers to identify horizontal and vertical linkages impacting the livelihood of poor farmers and producers. The map included input sellers, output buyers, local government representatives, Collection Point Management Committee (CPMC) members and micro-finance institutions (MFIs).

The follow-up field study was designed to gain an in-depth understanding of the experience of poor producers, particularly women, who are the majority of project beneficiaries in PROSHAR. A focus on the experience of FBAs and their FBG group was deemed to be a central part of this evaluation. Two separate interview protocols were designed for these groups: one for Farmer Business Advisors (FBAs) and another for Farmer Business Group (FBG) members. The purpose of the follow-up interviews was to develop a rich understanding of the experiences of PROSHAR beneficiaries, to understand the challenges they face, and to identify the potential for improvements in the governance structures in the system. The protocols contained both short and long answer responses allowing for a deep understanding of the experiences and perceptions of PROSHAR beneficiaries, as well as providing data across a range of quantitative indicators that could be compared across the project by gender, region, subsector, and farm or non-farm activity.

3.1.2 Sampling Method

There were two different sampling methods used in this study. The first was used to draw a sample of FBAs and FBG group members to be targeted with the structured surveys. An even sample of FBG groups was selected for each project upazila, based on a set of selection criteria developed by the research team prior to visiting the field.

The second sampling method, ‘snowballing’, was applied to identify other market actors to be interviewed by the research team in the field. Existing market actor lists held by PNGO and field staff were sent to the field team prior to mobilization; these lists guided the selection of informants, and from their interviews other relevant market actors were identified and subsequently interviewed.

3.1.3 Sampling Frame

A two-stage cluster sampling method was used to identify actors to be interviewed from among FBAs and FBG members. While the
distribution of project beneficiaries across project upazilas is even (2500 in each), there is significant variation between the distribution of individuals and groups engaged in each subsector activity. The majority of project participants were active in the farm sector (43%), and most of these in vegetable production. The mix of the remaining subsector groups differed by upazila based on the viability of the activity in each region. While most FBA leaders (71%) and producers (74%) were female, the project also contained a few male-only groups and many mixed gender groups led by a either male or female FBA.

The breakdown of all groups across the project below:

<table>
<thead>
<tr>
<th>PROSHAR Subsectors</th>
<th>FBAs</th>
<th>Female FBAs</th>
<th>% of Female FBAs</th>
<th>Producers</th>
<th>% of Total Producers</th>
<th>Female Producers</th>
<th>% of Female Producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetable</td>
<td>31</td>
<td>22</td>
<td>71%</td>
<td>3,165</td>
<td>43%</td>
<td>2,981</td>
<td>94%</td>
</tr>
<tr>
<td>Fish</td>
<td>23</td>
<td>17</td>
<td>74%</td>
<td>2,260</td>
<td>31%</td>
<td>1,829</td>
<td>81%</td>
</tr>
<tr>
<td>Poultry</td>
<td>9</td>
<td>8</td>
<td>89%</td>
<td>910</td>
<td>12%</td>
<td>889</td>
<td>98%</td>
</tr>
<tr>
<td>Tailoring</td>
<td>3</td>
<td>3</td>
<td>100%</td>
<td>295</td>
<td>4%</td>
<td>295</td>
<td>100%</td>
</tr>
<tr>
<td>Goat</td>
<td>3</td>
<td>2</td>
<td>67%</td>
<td>300</td>
<td>4%</td>
<td>210</td>
<td>70%</td>
</tr>
<tr>
<td>Bamboo</td>
<td>3</td>
<td>2</td>
<td>67%</td>
<td>204</td>
<td>3%</td>
<td>138</td>
<td>68%</td>
</tr>
<tr>
<td>Sesame</td>
<td>2</td>
<td>0</td>
<td>0%</td>
<td>170</td>
<td>2%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Karchupi</td>
<td>1</td>
<td>1</td>
<td>100%</td>
<td>98</td>
<td>1%</td>
<td>98</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>75</td>
<td>55</td>
<td>71%</td>
<td>7,402</td>
<td>100%</td>
<td>6,440</td>
<td>76%</td>
</tr>
</tbody>
</table>

**Figure 4: Percentage of Producers Engaged in Subsectors across PROSHAR**

Given the significant diversity of activities across the project, and between the different upazilas, the sampling strategy was designed to be representative of the experience of typical producers across the project, and to capture the significant heterogeneity of producer experiences. In order to capture this diversity, participants were recruited from both farm and non-farm subsectors (despite the latter accounting for a much smaller number of producer groups) and from groups with a range of different gender dynamics (i.e. female only group with male leader, mixed gender group with female leader etc.)

In the first stage of sampling, criteria were developed to determine which three subsectors would be included in the study (see Table 1) and, from within the groups active in the selected subsectors, a sample of 5 FBG groups per upazila were chosen.
### Table 1: Criteria for Selection of Subsectors

<table>
<thead>
<tr>
<th>Selection of three focal subsectors per upazila:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Includes the subsector with the largest number of producer groups</td>
</tr>
<tr>
<td>• Includes subsectors with at least one producer group active at the time of the study</td>
</tr>
<tr>
<td>• Includes at least one group that contains both an all-female group and female FBA</td>
</tr>
</tbody>
</table>

#### Figure 5: Sampling Stages

- **Stage 1**
  - Development of criteria for selection of focus subsectors
  - Sample size calculation - 90 interviews to be conducted across the project

- **Stage 2**
  - Selection of 3 focus subsectors per upazila based on criteria

- **Stage 3**
  - Selection of 5 FBG groups from each upazila all from within focus subsectors (15 total)

- **Stage 4**
  - Randomized selection of 5 group members from each group selected (total 75 group members)
  - Enlistment of FBA for each FBG group selected (15 total)

The sampling process is seen in Figure 5. The goal was to conduct 90 interviews across the PROSHAR-EML implementation zone. From the three subsectors selected for each upazila, five FBG groups were selected. Where a subsector accounted for a large percentage of total groups in the upazila (i.e. fish and vegetable subsectors), more than one group was selected. Where there were different gender combinations among groups these groups, the selection was stratified by gender and an all-female group and a mixed group would be selected. For each upazila, at least one Farm and one non-Farm group had to be selected so that ensured that a non-farm group was included for each upazila, despite representing a small percentage of total groups.

#### 3.1.4 Field Work

Following the selection of 5 groups for each upazila, one FBA and a sample of producers were identified for interview by randomly selecting 5 members out of the 100 producers in the group. If a group was mixed gender, then selection was stratified by gender and an even sample of men and women was drawn. Careful attention was given to capturing an accurate gender mix in the sample to reflect the gender ratio of the project population (which was overwhelmingly female). Further details on the gender mix can be found in tables 2-4 of Appendix I.

The two survey protocols were translated from English into Bangla, coded and uploaded onto tablets. Before mobilization, a team of 6 data collectors were trained to use the tablets and were introduced to the survey protocols by HKI and iDE staff. Data collectors were divided into pairs and sent to one of the 3 upazilas in the project for a period of 7 days. Supervision and technical support was provided by HKI staff. Open-ended interview questions were recorded using the audio function of the tablets and recordings were later transcribed and translated by data collectors and support staff in the HKI Dhaka office.

In addition to the semi-structured interviews described above, a series of unstructured interviews were conducted with a range of other market stakeholders during the period of data collection in November 2014. Rather than using a representative and purposive sampling method, these interviews were conducted using a market investigative approach (i.e., snowball sampling for market actors). Market actor lists held by PNGO and field staff were used as a starting point and interviews with these actors led to identifying other relevant actors (for more details of market actors
workshops. Identifying, analysing and documenting the issues of the market and supply chain, the activities required to deliver these interventions are then identified. The interventions required to address the identified issues of the market and supply chain are then designed and piloted. These interventions were then identified to overcome the identified weaknesses and strengths of the market and supply chain. The interventions were then identified to overcome the identified weaknesses and strengths of the market and supply chain.

3.1.5 Identifying Interventions

Identifying and documenting the issues of the market and supply chain, the activities required to deliver these interventions are then identified. The interventions required to address the identified issues of the market and supply chain are then designed and piloted. These interventions were then identified to overcome the identified weaknesses and strengths of the market and supply chain.

3.1.6 Developing and Testing Interventions

Developing and testing the interventions is critical to ensure that the interventions are effective and sustainable. This is done through a series of workshops and focus groups. The workshops and focus groups are designed to identify the key challenges faced by the market and supply chain, and to develop solutions to overcome these challenges.

The focus groups are designed to identify the key challenges faced by the market and supply chain, and to develop solutions to overcome these challenges. The focus groups are conducted with stakeholders from the market and supply chain, including farmers, processors, retailers, and consumers. The focus groups are conducted in a facilitated manner, with the facilitator guiding the discussion and ensuring that all perspectives are heard.

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The *Intervention Logic Analysis Framework* (ILAF) is a tool developed by iDE, which was employed following the data analysis stage to enable the identification of entry points to strengthen the market system. The ILAF is comprised of a seven-stage methodology informed by the data elicited through the field study. These stages are as follows: (1) a problem analysis is undertaken to identify the problems currently in the sector; (2) the underlying causes of these problems are identified; (3) current service provision is mapped and evaluated; (4) weaknesses in the services are identified through engagement with the local private sector and other stakeholders; (5) the key factors in the enabling environment are identified; (6) interventions are designed to strengthen service market capacity and strengthen the enabling environment for the core service provision; (7) activities are designed to deliver the interventions. In the current study, the data collected provided a picture of the local market system, enabling environment and key supporting services. This information was used to populate stages 1-5, demonstrating where the problems, underlying causes, and service weaknesses lie. To overcome these service weaknesses, interventions for future programming in the field were identified. These interventions were targeted at specific market actors or groups of market actors, who could be engaged to drive the change in the system.
4 Understanding the Local Market

4.1 Key Actors in the Market

4.1.1 Typology of Key Market Actors

To begin the ILAF analysis and provide meaningful feedback to PROSHAR, it was important to identify the key stakeholders, or market actors, involved in the market system that PROSHAR-EML sought to engage. Figure 7 lists the market actors both created by PROSHAR and existing actors.

**Figure 7: Definitions of Market Actors**

<table>
<thead>
<tr>
<th>Actor Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer Group (PG)</td>
<td>Consists of 10 producers. In almost all instances they are rural farmers.</td>
</tr>
<tr>
<td>Farmer Business Group (FBG)</td>
<td>Consists of 10 PGs. It is an informal business organization which operates in a specific sub-sector and is comprised of farmers in one community.</td>
</tr>
<tr>
<td>Farm Business Advisor (FBA)</td>
<td>Independent micro-entrepreneurs trained by iDE to encourage and equip farmers to grow market-oriented crops by offering products and advice to farmers on reducing risk, improving productivity, using quality inputs, and accessing market information. FBAs act as a link between lead firms and FBGs by playing the role of freelance sales agents and/or dealers. There typically operate on commission based business model.</td>
</tr>
<tr>
<td>Local Input Seller</td>
<td>Primarily sellers of inputs that are used in the production process.</td>
</tr>
<tr>
<td>Local Output Buyer (known in Bengali as paiker or foria)</td>
<td>Local purchasers of producer goods.</td>
</tr>
<tr>
<td>Larger Output buyer</td>
<td>Larger, sometimes wholesale purchasers of goods.</td>
</tr>
<tr>
<td>Collection Point (CP)</td>
<td>A collection point can broadly be described as a suitable location (which is near to the farmers’ field/farm/home) where many farmers can come together and aggregate their low-volume surplus produce and then sell their produce to local and larger output buyers. They are not expected to play the role of formal markets however they are envisioned to act as an intermediary location for both Output Buyers and farmers/producers to meet and trade.</td>
</tr>
<tr>
<td>Collection Point Management Committee (CPMC)</td>
<td>An organization consisting of influential local actors that oversee the collection points.</td>
</tr>
<tr>
<td>Union Parishad Committee</td>
<td>Smallest level of local government.</td>
</tr>
</tbody>
</table>
4.2 Market System Map

4.2.1 Overview

The market map (Figure 8) highlights linkages between key market actors and locations. The map shows the economic actors who produce and transact farm and non-farm goods moving from primary producers on the left hand side of the model, up the value chain on the right. This stylized representation includes PGs, FBGs, FBAs, input suppliers (such as seeds, livestock, fertilizers, and pesticides sellers), traders, large-scale buyers, the CPMC and the Union Parishad Committee (local government) members. The linking lines between market actors represent the flow of income and services to the producer, rather than charting the movement of the product itself. By illustrating the flow of income and services, the values of services throughout the chain (which ultimately impact upon the smallholder) are highlighted. Dashed arrows represent relationships between actors, and solid arrows symbolize relations between actors and physical places. These relationships are characterized by an exchange of goods and services.

4.2.2 Core Value Chain

The market map allowed a number of critical observations regarding the value of the various relationships to the different market actors. The key relationship dynamics include that:

- **The FBA is central to the operation of the market infrastructure** - in particular as a link to the poorest and most vulnerable. Between an FBA and FBG there are exchanges of information about market prices for inputs and produce, advice and training. Often producers sell goods to the FBAs, and FBAs sell inputs to the FBGs, in which case it is a supplier and buyer relationship.

- **The FBG-FBA relationship provides the link to upstream market actors.** A breakdown in the role as FBAs could mean losing the commission they gain from selling inputs or buying goods from their FBGs to sell to a larger buyer. These serve as incentives for the FBA to perform fairly and in the interest of the FBGs they serve.

- **The CPMCs govern the affairs of collection points and provide a link to the poorer farmers.** The CPMC does not have any economic incentive to organize meetings and include the poorest producers outside of the project. Furthermore, in the duration of the project, producers were organized into producers groups by Master Trainers (MTs) from amongst the 10 producers that make a PG. These MTs may have served their purpose in delivering technical information to the producers, however they also provide leadership and coordination services to the PGs.
4.2.3 Supporting Services and Enabling Environment

The market actors operating in the market chain often require a number of supporting services to operate and grow their businesses. These support services may operate under a number of different mechanisms, which are often highly context specific. In the case of PROSHAR, these mechanisms include transportation, financial services (credit, savings, insurance), mobile technology services, local government institutions and administration (market regulations, laws, fees). Mapping enabling environment challenges can illustrate how certain power relations, connections and interests are serving as obstacles for poor producers to effectively access market-chains. These include the social restrictions on women, illiteracy and low levels of education, poor infrastructure (roads, public market facilities, storage facilities, access to electricity), salinity and environmental factors (degradation of the quality of the soil for growing vegetables and raising crops), and weak formal local government institutions.

Figure 8 - Market System Map: PROSHAR-EML

Supporting services
- Transportation
- Finance
- Local Government Administration
- Mobile Technology
- Technical Information
- Local Government institutions

Key
- Relationships between market actors
- Relationships between market actors and places

Enabling Environment challenges
- Social restrictions on women's mobility - social conservatism, household based duties and responsibilities
- Illiteracy and low levels of education
- Poor physical infrastructure - roads, public market facilities, storage facilities, access to electricity
- Salinity and environmental factors - degradation of the quality of the soil for growing vegetables and raising crops
- Risk averse and aid dependent - post cyclone crisis when lives were rebuilt with the assistance of outside help, overexposure to NGO provision
- Weak formal local government institutions
4.3 Key Study Findings

4.3.1 Finding 1: Male producers are more likely to transport their own goods to a point of sale than female producers.

The PROSHAR-EML working areas were found to be broadly typical of the rural Bangladeshi context in terms of mobility and access to market. Results show that even where women contribute most of the labor in production, dependence on others to access points of sale means women have generally limited control over the income derived from their activities. The study showed that a great majority of women delegated responsibility for this to male family members or others, losing direct control of the sales of their produce. By not having control over income women’s decision-making power and ability to spend on family needs in the immediate term is limited. While few women producers access markets directly, there is evidence that the majority of women producers benefit from the presence of an FBA. These open up new channels for women producers to sell their goods, and they provide them with an alternative source of information about inputs and prices.

4.3.2 Finding 2: Local markets and buyers at the homestead are still the major points of sale being utilized across all project areas.

In the project areas, local markets remain the predominant destination for the various produce originating from the PROSHAR producers. CPs were set up across the project, mainly to serve farm subsector groups which face a unique set of challenges due to perishability of their products. Out of the two largest subsectors across the project, 40% of vegetable producers’ samples and 4% of pond fish producers’ samples reported using CPs. Homestead buyers represent a significant market access mechanism, particularly for bamboo products, tailoring and pond-fish. This is consistent with informal market transactions within the community setting. A lack of storage facilities, and difficulties aggregating and transporting goods, makes homestead purchases particularly attractive for pond-fish producers.

4.3.3 Finding 3: Female FBAs and producers had more limited business networks than their male counterparts, although FBAs generally have broader social networks than their female FBG members.

Less than half of female producers (FBG members) reported having direct relationships with input sellers and output buyers, whereas a great majority of female FBAs reported having connections with these two key external market actors (75% and 88% respectively). This suggests an important linking role that FBAs play in connecting poor and marginalized
female producers to markets. The already broad network of male producers suggests that there is more to gain for women through the PROSHAR model than their male counterparts who already have multiple market relationships and connections. Figures 11 and 12 reflect the size of business network that PROSHAR producers and FBAs have with different market actors broken down by gender.

**Figure 11: Percentage of Producers With Direct Relationships by Gender**

**Figure 12: Percentage of FBAs with Direct Relationships by Gender**

4.3.4 **Finding 4: Within the PROSHAR model, above a certain market level all market actors are male.**

The traditional social belief that women should not be involved in market activities outside the household, except as a buyer and only if accompanied by men, poses an obstacle to the work of female FBAs. The wider social network of male producers and FBAs shows that men are able to liaise with a much wider and more diverse network of contacts than their female counterparts. This gender gap is clear in Figure 12 above, which shows that female FBAs have good connections and linkages with certain PSAs (input sellers and output buyers), but report no relationship with other key external actors such as local government officials. In contrast, 70% of male FBAs reported having a direct relationship with local government members. This situation shows how social restrictions not only limit the breadth of business networks for women, but also, that certain types of relationships are off limits to them. It seems that, in some cases, relationships with traders or input sellers at the homestead level involving fairly straightforward transactional interactions can be considered acceptable, but other relationships with local decision makers and stakeholders (like local government representatives) are less common and accepted.

4.3.5 **Finding 5: Female FBAs reported heavy reliance on their male relatives.**

Female FBAs rely on male relatives for access to markets and information, negotiating and sales, as well as transporting and aggregating goods. This means that male family members of female FBAs are important unofficial market actors that can determine the success of an FBG despite not being recognized within the PROSHAR market system. FBAs were asked an open question about the role that their spouse or family members played in their marketing activities and whether or not they discussed business decisions and activities with their family members. Out of 15 FBAs interviewed (8 female and 7 male) 14 reported that their spouse was involved in this decision-making. The role of FBA, particularly if female, is seen as one based on a partnership in which at least some decisions are seen as needing to be joint.
4.3.6 Finding 6: Male producers rely more on their market networks (buyers) for information than female producers who rely more heavily on relatives.

A higher percentage of male producers than female producers visit the market themselves for information. The gender of the FBA also plays a role in determining who producers rely on for information. Figure 13 shows that FBG members are more likely to rely on a male FBA as the main source of market information than a female FBA.

4.3.7 Finding 7: Producer preferences are mixed regarding the gender of the FBA.

The findings of FBA gender preferences are mixed, but overall most producers were happy with the gender of their FBA. 23% of female producers said that they preferred working with a female FBA, referring to the ease of working directly with another woman. However, other female producers clearly articulated the limitations of having a female FBA due to her restricted mobility and access to markets, so expressed a preference for a male FBA. Figures 15 and 16 show producer preference in the gender of their FBA - less than half of the producers in the sample had a male FBA (35) and little more than half had a female FBA (40). Table 1 gives a breakdown by producer gender and FBA preference.

4.3.8 Finding 8: Overall joint decision-making between men and women is high, but more women reported that they engaged in joint decision-making than men.

Based on the gender questions section of the survey, asked to all producers and FBAs interviewed, a significant proportion of women producers still reported that their spouse made key decisions for them: 24% of women said their spouse made decisions about visits to their own relatives, and 21% reported that their spouse decides how to spend lump sums accrued by members of the household for investing in production. Similar dynamics of gendered intra-household decision-making are found among FBAs. A much higher percentage of female FBAs claimed to make decisions jointly with their spouse, whereas a higher percentage of male FBAs claimed to make decisions alone.
4.3.9 Finding 9: There are significant differences of household savings between project regions.

Lohagara reported the highest level of savings and Sharankhola the lowest. This snapshot from November 2014 does not reveal likely seasonal variations in the levels of savings based on the rice harvest. Household savings can be a good proxy measure for household poverty and resilience. It is also an important indicator of the ability of a household to successfully engage in business and market activities.

The ability to accrue savings is also an important indicator for women in markets as the limited ability to accrue and control savings is recognized as an important barrier to their participation. The majority of the people interviewed listed their limited access to capital as the biggest obstacle to the improvement of their livelihood.

4.3.10 Finding 10: Women with access to a CP have a broader social network than those who do not have access to a CP, particularly with input sellers and output buyers.

A key part of the PROSHAR intervention was the establishment of Collection Points. Across the project there are 14 active Collection Points. Based on field observations, Collection Points have become lively exchange hubs close to the homestead level, which producers can easily access. While the project has tracked the quantity of outputs from the CPs throughout the project, it is difficult to quantify and assess the impact they have had on access and mobility for producers, and particularly for women.

Note that November is the end of the loan season in all three upazilas, which may explain why savings are low. Additionally, Sarankhola is a remote area bordering the Sundarbans, and has faced significant natural disasters in recent years (including devastation by Cyclone Sidr in 2007).
One way to evaluate the success of CPs in reaching women is to compare the breadth of market networks that women have when they have access to a CP compared to those that do not. Figure 20 shows that women with access to a CP have a broader social network than those who do not, particularly with input sellers and output buyers. This suggests a tangible improvement to the ability of women to do business if they are able to mix with external market actors 'close to home' and within social networks that are deemed socially acceptable.

It is also understood that CPs have been particularly important to producers in the farm sector as challenges around aggregation, storage and perishability of these goods leads to many inefficiencies and losses.

Figure 20: Women's Networks by Access to CPs
5 Analysis

5.1 Problems and Underlying Causes

5.1.1 Threat that F-FBAs will revert back to traditional roles and the connection to PGs, particularly female farmers, will be weakened.

The F-FBAs have been seen to offer a 'gendered space' within which the female producers can access market information and be offered a route to market (see Figure 6). Because of the positive trend to work through F-FBAs, the continuance of this space is crucial for the perpetuation of a service that benefits a key vulnerable group - female producers.

The potential threat to this lies in the extent to which the continuance of this gendered space is predicated upon the continued intervention of the project. There is a possibility that F-FBAs may forego their role and revert back to male leadership without either direct project support, or the presence of the project as a source of guidance. The underlying causes of this problem include the fact that female FBAs are not as mobile as their male counterparts, that men have greater social networks, and that they are generally trusted by their community to negotiate better deals on goods more so than women (See Findings 3, 5 and 8). These factors may be pervasive and could reduce the self-confidence of F-FBA to perform services despite their capacity building training, and experience, to date.

5.1.2 Women’s social barriers and the 'glass ceiling' limits female integration into local market activity

As has been found above, women still face great obstacles entering into the market and selling goods. This ‘glass ceiling’, or unofficial barrier, is particularly evident beyond the village level where almost all market actors are male (see Findings 4 & 5). Although such barriers for women exist all over the world, in the Bangladeshi context, socio-religious mandates restricting female mobility and power over household decisions as well as the pervasive belief that male members are more capable at conducting business than women make breaking this glass ceiling much more challenging.

5.1.3 PGs need to continually invest in quality inputs/ and new technologies in order to remain competitive

The development of producer groups by PROSHAR has led to the development of technical skills, technology transfer, and social capital. Almost all PGs have reported an increase in technology adoption and quantities of product sold as a result. Women are also reported to be in leadership positions in 76% of the PGs.24 The development of Master Trainers (MTs) who provided services to the groups beyond the transfer of technical information, such as coordination and leadership, was facilitated by the project. The continuation of these services is potentially under threat in light of the fact that MTs will not continue in the extension phase (and

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beyond). As many of the producers deal in very small amounts of produce, without the PG structure it is not certain that they will reliably produce enough surpluses to sell, or aggregate effectively, at the village level to gain the interest of market intermediaries such as FBGs. Therefore, there needs to be a mechanism to ensure the continued coordination of the PGs so that producers continue to benefit as larger FBGs. Such a coordination body could ensure the continuance of the technology gains through the link to the wider FBG and FBA system which is a channel for technology transfer into the system.

5.1.4 Potential for the FBA-FBG relationship to weaken, reducing the quality of FBA service provision to FBGs

The FBA is the lynchpin for the connection between the vulnerable producers and the wider market structures which link them to established markets. The strength of this link has implications for the wider access to market and associated services that the FBG provides to the PGs. These services include aggregation, quality control of products and service providers, and group-based volume purchase efficiencies. These relationships could weaken should: (1) the FBGs lose farmers or become less viable further to the withdrawal of project support, and/or (2) elite capture occurs within the composition of the FBGs which skew their service provision away from relatively poorer groups.

Crucial to these issues is the participation of the poorest producers in the internal governance arrangements of the FBGs. Although it could be argued that accountability mechanisms currently exist implicitly, as FBAs do have economic and social incentives to serve poorest producers, there is still no clear governance structure within the FBG to assess FBAs collectively and evaluate and respond to their performance. Some potential problems which could arise due to the absence of clear governance structure include: those of FBA performance, for example if they abuse their roles as intermediaries between FBGs and input sellers and provide FBGs with poorer quality inputs for a greater commission; or regarding the replacement/turnover of FBAs, in the event of lead capture of the FBA function where elite farmers take on the role of the FBAs and replace them.

Another potential threat to the FBG-FBA relationship is the potential weakening of the competitiveness of the FBA. Though strong and profitable links with private sector actors are an indication that FBAs have a clear economic incentive to remain engaged, to remain competitive the FBA requires ongoing access to information and technology, and relationships with PSAs. At this stage it is uncertain whether weaker FBAs acting individually have the support structure to continue engaging in competitive business practices without project support.

5.1.5 Threat that CPMC will not continue to function to the benefit of the vulnerable groups

CPs have been shown to be effective in providing an intermediary aggregation service to local producers and producer groups. Currently, the CP is project supported and serves only PROSHAR beneficiaries. It is however not necessary or desirable to insulate such grass-roots institutions, except when nurturing their capacity and ability to engage with the wider market, as the nature of their service offer and scope of operations must
evolve over time in order to remain competitive. As the project withdraws, relative to the commercial success of the CP, it is both likely and desirable that more affluent farmers will engage with the CP. However, this engagement of relatively higher income farmers should not result in the exclusion of the poorest. Equal participation of the various socio-economic groups in the CP should be maintained.

Such grass-roots institutions require dynamic leadership to both maintain the participation of all farmers and to ensure the constant evolution of their service model in order to innovate and remain competitive in the market. Project facilitated Collection Point Management Committees (CPMCs) provide such leadership and oversee all activities related to the buying and selling mechanism at CPs. And although the project is currently supporting the development of a constitution and annual activity plan for these CPMCs outlining clearly the responsibility of members, it is still unclear who the institution will be accountable to once the project has ended and what their incentive will be to continue serving the poorest farmers should they become the less economically profitable community to serve.

5.2 Supporting Services and Enabling Environment Challenges

There are a number of services and enabling environment factors which affect the underlying causes of the problems highlighted above. In order to strengthen the market system, it is crucial that identified weaknesses in these services and enabling environment factors are the target of interventions.

5.2.1 Knowledge and Information Services

Market information is more than price information, which is simply the output price for a particular commodity. Rather, market information encompasses the details of a collaborative arrangement to support commercial agricultural production, with information regarding the volume, quality, and delivery requirements from the demand side, and the inputs (financial or agronomic, such as seeds, etc.) required on the supply side to meet this demand. This information is lacking in the Khulna area in multiple ways. Direct connections with private sector actors and appropriate intermediaries are weak, producers' knowledge of how to determine quality and price is still lacking, and the information sharing forums between producers and FBAs are often ineffectual.

5.2.2 Coordination Service for PGs

The project facilitated coordination of producers into larger PGs and even larger FBGs has benefitted producers as selling in bulk has allowed for the creation of CPs that bring private sector actors closer to producers. Such engagement has meant lower transportation costs, no market fees and improved the
negotiation power for producers. To continue reaping these benefits, it is vital for producers to continue organizing. Currently, such coordination is provided by project supported Master Trainers who do not receive any compensation to organize PGs independent of the project the way FBAs do. Incentivized FBAs are also not yet coordinating on a PG level. This points to a potential gap in the coordination services of FBGs when the project ends as there is doubt to how and if producers will continue to organize without a project designated coordination authority.

5.2.3 Financial Extension Services

The limited access to financial services and capital obstructs producers from investing in technology and quality inputs and, in turn, reliably producing enough surpluses to sell, or aggregate effectively, at the village level to gain the interest of market intermediaries such as an FBG. The fact that FBG members and FBAs have few linkages with MFIs and banks (see Figures 3 and 4) is an indication that existing financial services are not accessible for poorest producers and need to be addressed.

Although the project has signed Joint Venture Activities (JVAs) with two Micro Finance Institutes (MFIs), JCF and RRF, for new loan product development, there have been multiple challenges to begin connecting producers with these services. In Batiaghata, piloting the innovative loan product by RRF has yet to start as RRF considers it risky. Additionally, RRF won’t be able to distribute the loan amount in 2 or 3 tranches, as was previously agreed upon in the product design, because the RRF software system is not able to administrate this. JCF has also not been open to a new or innovative loan product for either the agriculture or the sowing sector in Lohagara, as they believe that all current demand for financial services (loans) could be met through the existing JCF Micro Enterprise Loan. Discussions with multiple MFIs to work in Sharonkola have also not been fruitful, as the disaster prone area is considered too risky.

5.2.4 Collection Point Management and Governance Structure

CPMCs provide oversight for the activities of CPs and ensure that they remain operational for business. As part of its capacity building, the project also collects information on the performance of the CPMCs. And although the project has begun supporting the development of a constitution and annual activities for the CPMC outlining the roles and responsibilities of members, it is still unclear who members will be accountable to once the project ends. A governance structure is currently lacking with a clear operational structure or electoral system outlining how the poorest farmers can participate in the choice, assessment and replacement of CPMC members if need be.

5.2.5 Behavior Change Communication Service

Behavior change communication (BCC) is the strategic use of communication to promote positive behaviors, based on proven theories and models of behavior change. This in turn creates an environment to initiate and sustain positive and desirable behavior outcomes. There is a widespread cultural belief in the Khulna area that male members are more capable of doing business than women, that women are religiously ordained (by the rules of purdah) to remain in their home and that they do not have the right to make decisions with their own income. Although the project has supported developing the capacity of female farmers especially, and has facilitated a women’s business leaders network to provide a gendered space for women to engage in conversations related to their business success, a communication strategy on a community level to challenge the widespread beliefs hindering female participation in the market and increase male support of women is yet to be initiated.
5.2.6 Women's Networking Services

The fact that female producers' networks are still not as wide as their male counterparts is an indication that women's network services may be lacking. The project has facilitated a Women's Business Leaders Network to provide a space for women to engage in conversations related to their business success and strengthen their network, yet these efforts have still not been able to achieve networking levels equal or comparable to those of men, particularly with higher level actors such as local government officials and larger output buyers and input sellers.

A stronger FBA network will keep FBAs competitive, which will ensure PSAs continue engaging with them and prevent their replacement with a more elite farmer who may not have an interest in catering to the poorest producers. It will also ensure that FBAs become less dependent on project staff for market information, linkage development and business practices as they will be learning from one another. Greater FBA engagement across upazilas could potentially also lead to the coordination of even larger FBGs and further attract PSAs.

5.3 Interventions

It is crucial that interventions are designed which are 'systemic' so the outcomes are not dependent upon the project or development partner for sustainability. This means that the NGO should not seek to provide services (or at least only temporarily), but rather enter the market system in a catalytic manner to tackle the service weaknesses in existing market actors. To address this, eight key interventions will be necessary. These include:

5.3.1 Strengthening the FBA network

A key task is to strengthen the already established FBA network so that FBAs remain competitive and continue to serve the FBG members without project support. FBAs need to be supported to:

- Remain engaged with innovative business practices on their own to continue generating greater profits for their FBGs; and,
- Continue expanding their network without project support and ensure that they are investing in quality inputs at lowest prices and selling goods at the best price.

It is unlikely that Master Trainers will continue to serve their role as coordinators as effectively as they do now after the project ends as they do not have any economic incentive like the FBAs. An incentive based model to help PG's organize would help ensure that PGs remain connected as an FBG group to reap the benefits of the FBG-FBA model designed by the PROSHAR project. Sustainable FBGs that are self-organized with a codified structure could more formally institutionalize and help ensure FBAs continue to function and serve their FBGs more effectively. A more structured FBG with clear expectations and consequences for FBAs would allocate power between them so that the former remains the principle and the latter, the agent (see page 9). Meaningful accountability relationships that ensure that the FBAs do not end up with the monopoly of power can only be formed when it is understood that the FBA acts with the permission of the FBG for them, not the other way around.
5.3.3 Improving financial services

The lack of capital and absence of appropriate finance options is a pervasive need across all market actors. Improving financial services will give producers and traders access to capital to purchase quality inputs and technology. The project is continuing to negotiate with MFIs to improve project beneficiaries’ access to capital and has already begun addressing this need.

5.3.4 Strengthen Governance Structure of CPMCs

To help prevent collection points from turning into small local markets where elite business pushes out the poorest farmers, it is important to establish a way for these farmers to have a voice in the activities of the CPs. Although the CPMC is the current leadership body of the CPs, the absence of a clear governance structure points to the possibility that the CPMC may not continue to function or at least not in the favor of the poorest producers after PROSHAR ends. To ensure that the CPMC members continue to meet and run CPs in the favor of the poorest, it is important to support the current constitutional development and annual activities development facilitation currently underway by the project and establish a way to ensure that poorest producers have a say in the assessment and potential replacement of the CPMC. A clear governance structure would allow producers of various socio-economic groups to participate in the CP while ensuring that the voice of the poorest is protected.

5.3.5 Renegotiating intra-household activities/roles for FBAs

This study recommends renegotiating the intra-household activities of the FBAs as the findings suggest that the way FBAs are currently functioning may mean that many female FBAs revert back to their previous role while male members of the community who have not been through the same capacity development training may capture the leadership positions. The data suggests that although these female FBAs are largely trusted, especially by female producers, and have become more mobile than they historically were, they are still not perceived equal to their male counterparts (see Finding 4.3.8). Women are still not as mobile or have as strong of a network as compared to men, despite the capacity and larger network PROSHAR has helped them develop. One way to ensure the success of the FBA model is to incorporate men into the business model by treating the business of the female FBA as a family business towards which male family members contribute their knowledge and skills. In this way, male connections to the private sector can be leveraged to support female FBAs without discrediting the women’s leadership.

5.3.6 Increasing a broad acceptance/awareness of large female role

The data suggests that despite the fact that female FBAs were largely trusted, producers acknowledged that there was an opportunity cost when being led by a woman as they are not as mobile and do not have as large of a network as men (see Finding 4.3.8). Although the above intervention may immediately help prevent the loss of connections to private sector actors, on its own it could potentially perpetuate the gender inequality gap and reinforce gender norms as men continue to be perceived as essential to business success. To help combat this perception, the study is...
recommending that the project design activities at the community level to develop the broad acceptance of a larger female role through behavior change communication strategies. This could help improve the mobility, build the credibility and strengthen the self-confidence of PROSHAR backed female leaders and women in the community in general. A strong acceptance and trust in women would allow communities to maximize their potential and significantly improve their livelihood since, currently, the female half of the community is limited by social barriers and a very real ceiling that is stopping them from participating in market-related activities.

5.3.7 Strengthening women's networking services

This study is recommending that PROSHAR backed female leaders are further supported to help them develop stronger and more numerous links with market actors as female FBAs still do not have the same reach as their male counterparts. It is important to continue supporting the project established Women's Business Leadership Network and ensure that they remain effective after the project ends. It is crucial that through the network, women are able to engage with innovative business practices to continue generating greater profits and continue to expand their network. One more important consideration should be developing women's ability to communicate their ideas in a mixed gender setting, and that a women only space is treated as a stepping stone to generate greater confidence and participation in the market which is co-ed.
Figure 21 - Intervention Map

The figure below identifies where in the market system the recommended interventions can be implemented. Interventions identified in purple indicate gender specific intervention.

Figure 21 - Intervention Map

- **Transportation**
  - INT 3 Develop and deploy financial services

- **Finance**
  - INT 2 Design incentive based model for PG coordination

- **Local Government Administration**
  - INT 1 Strengthen FBA Network

- **Mobile Technology**
  - INT 4 Strengthen Governance Structure of CPMCs

- **Technical Information**
  - INT 5 Renegotiate intra-household activities/roles for FBAs

- **Local Government institutions**
  - INT 6 Develop broad acceptance/awareness of large female role

**Enabling Environment challenges**
- Social restrictions on women's mobility - social conservatism, household based duties and Responsibilities
- Illiteracy and low levels of education
- Poor physical infrastructure - roads, public market facilities, storage facilities, access to electricity
- Salinity and environmental factors - degradation of the quality of the soil for growing vegetables and raising crops
- Risk averse and aid dependent - post cyclone crisis when lives were rebuilt with the assistance of outside help, overexposure to NGO provision
- Weak formal local government institutions

**Key**
- Relationships between market actors
- Relationships between market actors and places
The major objectives of the Market Governance Study were to understand whether the market infrastructure developed under PROSHAR-EML will continue to work in the interest of the poorest and most marginalized farmers, such as women, and to provide recommendations for interventions that can be deployed with the final six months of the program (approximately January-June, 2015).

An exploratory field research attempted to analyze barriers that PROSHAR's market actors are facing while trading in the project market system, as well as attitudes and relationships among male and female actors that determine women's participation in market activities. The research analysis was conducted in the light of what implications these barriers and attitudes may pose to the sustainability of the existing market system, and whether this will continue to be inclusive of and benefit women.

The research identified eleven (11) key findings that suggest room for future research and experimentation in the areas of market governance and gender equality within this system of networks and trades. Based on the findings from the market governance study, seven (7) interventions are now recommended for implementation during the final phase of the PROSHAR:

- Strengthening the FBA network;
- Supporting an incentive based model for PG coordination;
- Improving financial services;
- Strengthen Governance Structure of CPMCs;
- Renegotiating intra-household activities/roles for FBAs;
- Increasing a broad acceptance/awareness of large female role; and,
- Strengthening women's networking services.

Overall, the interventions will focus on strengthening the accountability of the relationships between market actors and ensuring that women will not be off-sided following project closure, but will continue to play an active role in the market system. Considering the short implementation timeframe of six months, an optimal coordination between HKI and iDE will be required to synchronize the delivery of activities.
ACDI / VOCA, Program for Strengthening Household Access to Resources (PROSHAR), Annual Survey 2013-14, Pathways Consulting Services Ltd, October, 2014


### 8 Appendix

#### 8.1 Appendix I - Tables

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Batiaghata</th>
<th>Lohagara</th>
<th>Sarankola</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open interviews</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Input sellers</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Output buyers/traders</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Financial Service providers</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>PNGO staff</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>10</td>
<td>6</td>
<td>25</td>
</tr>
</tbody>
</table>

### Table 1: Open Interviews - Subsector by Upazila

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Outputs</th>
<th>Inputs</th>
<th>FBA</th>
<th>CP Committee/ FBA</th>
<th>Microfinance Institution</th>
<th>CP Committee</th>
<th>Local Government</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Bamboo</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Fish</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Tailoring</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Vegetable</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>9</td>
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</tbody>
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### Table 2: Subsector by Type of Actor

<table>
<thead>
<tr>
<th>Field instrument (purposively selected)</th>
<th>Participant</th>
<th>Subsectors</th>
<th>Upazila*</th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open interviews</td>
<td>Farm Business Advisors</td>
<td>Sesame, Karchupi, Vegetable, Fish</td>
<td>B, S, L</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Input sellers</td>
<td>Sesame, Vegetable, Tailoring, Fish</td>
<td>B, S, L</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Output buyers/traders</td>
<td>Vegetable, Bamboo, Fish</td>
<td>B, S, L</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Financial Service providers</td>
<td>Fish</td>
<td>B</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Local government members</td>
<td>Non-specific</td>
<td>B, L</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>CPMC members</td>
<td>Non-specific</td>
<td>B, S, L</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>PNGO staff</td>
<td>Non-specific</td>
<td>B, S, L</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Subtotal</td>
<td>46</td>
<td>4</td>
<td>50</td>
<td></td>
<td></td>
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<tr>
<td>Semi-structured interviews</td>
<td>Producers, FBG members</td>
<td>Karchupi, Tailoring, Vegetable, Fish, Bamboo</td>
<td>B, S, L</td>
<td>9</td>
<td>66</td>
</tr>
<tr>
<td>Farm Business Advisors</td>
<td>Karchupi, Tailoring, Vegetable, Fish, Bamboo</td>
<td>B, S, L</td>
<td>7</td>
<td>8</td>
<td>15</td>
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<tr>
<td>Subtotal</td>
<td>16</td>
<td>74</td>
<td>90</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>62</td>
<td>78</td>
<td>140</td>
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</table>

### Table 3: Overview of all Actors Interviewed
*B - Batiaghata, L - Lohagara, S - Sarankhola

Table 4: Gender Mix of Sample compared to Beneficiary Population Lohagara

<table>
<thead>
<tr>
<th>Beneficiary TOTAL</th>
<th>FBA</th>
<th>F</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>F</td>
<td>49%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>7%</td>
<td>5%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>SAMPLE</th>
<th>FBA</th>
<th>F</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>F</td>
<td>52%</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>8%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Table 5: Gender Mix of Sample compared to Population Sarankhola

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>FBA</th>
<th>F</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>F</td>
<td>84%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SAMPLE</th>
<th>FBA</th>
<th>F</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>F</td>
<td>60%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>0%</td>
<td>16%</td>
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</table>

Table 6: Gender Mix of Sample compared to Population Batiaghata

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>FBA</th>
<th>F</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>F</td>
<td>70%</td>
<td>14%</td>
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<td></td>
<td>M</td>
<td>6%</td>
<td>10%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>SAMPLE</th>
<th>FBA</th>
<th>F</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>F</td>
<td>48%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Problems/Optunities</td>
<td>Underlying Cause/Threat</td>
<td>Service/Enabling Environment</td>
<td>Weaknesses</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>1. Potential for the FBA-FBG relationship to weaken, reducing the quality of FBA service provision to FBGs</td>
<td>FBAs do not continue to provide FBGs most innovative business practices to continue generating greater profits for their FBGs</td>
<td>Knowledge and information services</td>
<td>Weak FBA network and business skills</td>
</tr>
<tr>
<td></td>
<td>Lead capture/FBAs find economic incentive to serve against the interest of producers</td>
<td>Coordination Service for PGs</td>
<td>Master Trainers may potentially stop coordinating and organizing PG’s due to lack of economic incentive</td>
</tr>
<tr>
<td></td>
<td>Extreme poor and landless don’t produce enough surpluses to sell</td>
<td>Ongoing Production Activities</td>
<td>PG members may not continue to produce surplus to remain part of FBG</td>
</tr>
<tr>
<td>2. PGs need to continually invest in quality inputs/ and new technologies in order to remain competitive</td>
<td>PGs may not be able to coordinate after project ends</td>
<td>Coordination Service for PGs</td>
<td>Master Trainers may potentially stop coordinating PG’s due to lack of economic incentive</td>
</tr>
<tr>
<td></td>
<td>Extreme poor and landless don’t always produce enough surpluses to sell</td>
<td>Ongoing Production Activities</td>
<td>PG members may not continue to produce surplus and have disposable income to invest in better quality inputs/new technology</td>
</tr>
<tr>
<td></td>
<td>Lack of appropriate financing options</td>
<td>Financial Extension Services</td>
<td>Producers and traders do not have access to capital to purchase inputs</td>
</tr>
<tr>
<td>3. Threat that CPMC will not continue to function to the benefit of the poorest groups</td>
<td>CP may turn into small local market/elite, excluding poor</td>
<td>Collection Point Management and Governance Structure</td>
<td>No way for poorest producers to hold CPMC to account and replace members if need be</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Not all poorest producers are able to access CPs</td>
</tr>
<tr>
<td>5. Threat that Female FBAs will revert back to traditional roles and the connection to PGs, particularly female farmers, will be weakened</td>
<td>Females dependent on males</td>
<td>Behavior Change Communication</td>
<td>Absence of behavior change communication</td>
</tr>
<tr>
<td>6. Women social barriers and the ‘glass ceiling’ limits female integration into local market activity</td>
<td>Cultural and religious beliefs that discredit women as entrepreneurs and limit their mobility</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Women do not have equally wide network as men</td>
<td>Women’s networking services</td>
<td>Women may not continue to developing networks/being involved in markets as efficiently as during project</td>
</tr>
</tbody>
</table>