

Alternative livelihoods and private sector engagement in south west Bangladesh



Abstract

The impacts of rapid population growth, climate change, and pressure on natural resources are increasingly forcing rural households out of agriculture. Simultaneously, these same pressures require farming and non-farming households to become more resilient. Strengthening and diversifying livelihoods can address this double challenge by increasing assets and income, reducing vulnerability to specific hazards, and helping households manage risk. To attain sustainable employment and earn income, Nobo Jatra—a USAID supported Development Food Security Activity—works with 18,000 ultra-poor participants, facilitating training to help them acquire technical skills for income generation. An extensive market assessment was undertaken to identify suitable and in demand on-farm businesses as well as alternative

livelihood options that are off farm/non-farm, and to determine strategies in incorporating profitable inclusion of the poor household into the identified business options. Based on the assessment, Nobo Jatra initiated public-private partnerships with small and medium businesses to strengthen linkages to the private sector, specifically those that are interested in expanding production in rural areas. Private sector partnership opportunities were expanded based on business feasibility, sustainability and social criteria, such as the potential for equitable involvement and fair wages for women and their households. To date, fifty four partnerships have been established with small and medium businesses and over 17,000 ultra-poor women trained in a market driven and sustainable trade of their choice.

1. Background

Agriculture is the principal livelihood for the majority of households served by USAID Food for Peace-funded programs, but for many families that is changing. The impacts of rapid population growth, climate change, and pressure on natural resources are increasingly forcing some households out of agriculture. Simultaneously, these same pressures require farming and non-farming households to become more resilient. Strengthening and diversifying livelihoods can address this double challenge by increasing assets and income, reducing vulnerability to specific hazards, and helping households manage risk.

To empower these households to attain sustainable employment and earn income, Nobo Jatra (New Beginning¹)—a USAID Food for Peace-funded Development Food Security Activity (DFSA) implemented by World Vision, with World Food Program, Winrock International, and three local partner NGOs in south west Bangladesh—works with 18,000 extremely poor participants, over 90 percent of whom are female, facilitating training to help them acquire technical skills required for income generation. The southwestern coastal region of Bangladesh is characterized by a complex interplay of natural and man-made challenges. Located literally and figuratively “in the hub of hydro-meteorological disasters,” the area is recurrently exposed to cyclones, tidal surges, floods, drought, and saline water intrusion. This has a direct bearing on livelihoods as 85 percent of people in the coastal zone depend on agriculture, and it is a key economic activity for the 40 million inhabitants in the coastal zone (World Bank, 2016). Agricultural productivity in south west Bangladesh is further impeded by waterlogging, and the injudicious conversion of cultivable land into shrimp farms. Poor households consistently struggling to afford their basic needs, increasingly depend on the natural resources of the adjacent mangrove forest, the Sundarbans. To improve the socio-economic status of poor communities, Nobo Jatra is working on diversifying livelihoods choices, ensuring that they are market driven and sustainable, by establishing mutually beneficial

links between trained participants and the private sector.

An extensive market assessment was undertaken to identify suitable and in demand on-farm businesses and alternative livelihood options that are off farm/non-farm and to determine strategies for incorporating profitable inclusion of the project participants into the identified business options. Nobo Jatra also prioritizes public-private partnerships with businesses to strengthen linkages to the private sector, specifically those that are interested in expanding production in rural areas. Private sector partnership opportunities are evaluated based on business feasibility, sustainability, and social criteria, such as the potential for equitable involvement and fair wages for women and their households.

2. Objectives

- Build a bridge to and leverage the unique capability of the private sector and apply these collaboratively to address sustainable income challenges of extremely poor households in southwest Bangladesh.
- Move toward enterprise driven development or market driven models and pursue new ways to collaborate and leverage resources.
- Involve private sector to help achieve sustained impact and increase income and consumption for the entire Nobo Jatra target population.
- Use findings from the Agriculture and Livelihoods Market Assessment to refine, inform and adapt implementation.

3. Methodology

3.1 Beneficiary selection

Nobo Jatra selected 18,000 alternative livelihoods participants based on the following selection criteria:

Mandatory Criteria

¹ <https://www.wvb-nobojatra.org/>

- Have few or no productive assets or confirmed source of income
- Own less than 0.15 hectares cultivable land

Preferable Criteria

- Female-headed households (widow, separated, divorced) with no adult male income earner
- Willingness to participate in entrepreneurial literacy course
- Committed to income generating activity (IGA).

3.2 Nobo Jatra Alternative Livelihoods

Nobo Jatra supports 18,000 vulnerable men and women to increase their income and access to nutritious food through entrepreneurial literacy, agriculture, and alternative livelihoods with an emphasis on market linkages. The project pursues livelihood opportunities that are women-friendly, and where possible encourages women to take on non-traditional livelihood opportunities such as electronics or mechanics. In addition, since men typically sell their female family members’ products, Nobo Jatra explored models to increase women’s marketing skills and thus control over income. To encourage secondary adoption of skills, those women in the vicinity of trained participants (neighbors, family members) are also benefiting through skills transfer from participants directly trained by Nobo Jatra. Approximately 5 percent of indirect participants have picked up hand embroidery skills and are linked with the private sector—through this additional income generating activity, their incomes have increased by approximately 10 percent.

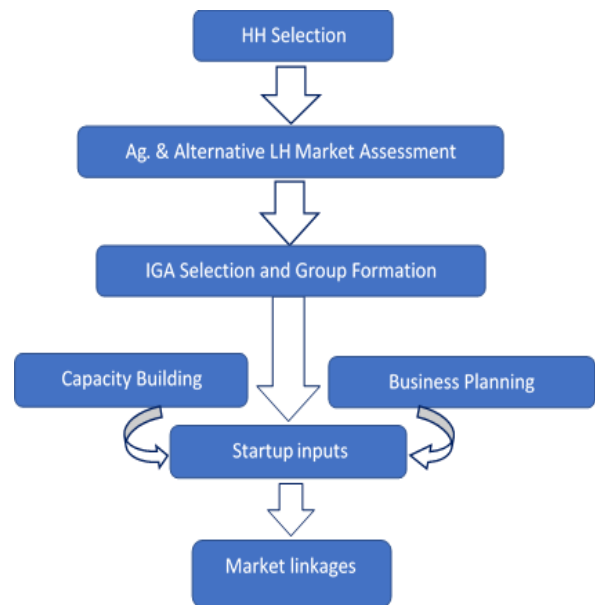
3.2.1 Provide Training on Entrepreneurial Literacy (EL)

Nobo Jatra delivers a basic 6-month EL course to engage participants in agriculture and alternative livelihood activities to improve numeracy, life skills and entrepreneurial skills of the poor, particularly women, thereby improving their income. The literacy training comprises 15 to 25 learners/class who progress through the entire course together, meeting two hours per

day, three days per week, and the module includes:

- Lessons on savings and credit to gain practical skills and knowledge needed to start building an asset base to support future livelihoods investments
- Maternal and Child Health and Nutrition, Water, Sanitation and Hygiene, Disaster Risk Reduction, nutrition, and gender equality messages.

Key to note, the sessions are mobile, meeting at mutually agreeable times and frequencies selected by groups to accommodate their mobility and daily/seasonal workloads, especially for



women.

3.2.2 Provide Training in Technical Skills Required for Alternative Income Generating Activities (AIGA)

To increase skills of poor and extremely poor participants on several kinds of trades and businesses Nobo Jatra facilitates training, mentoring, business plan development and market linkages. The key steps Nobo Jatra follows are:

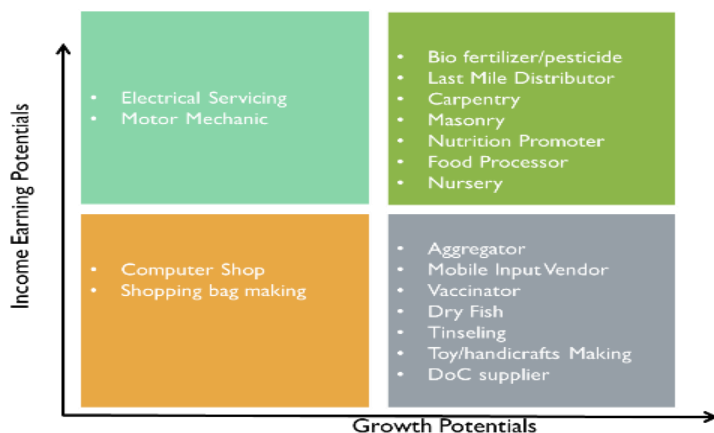
Household selection

1. Wealth Ranking based on existing assets
2. Identification of AIGA participants from census data in MIS based on set criteria

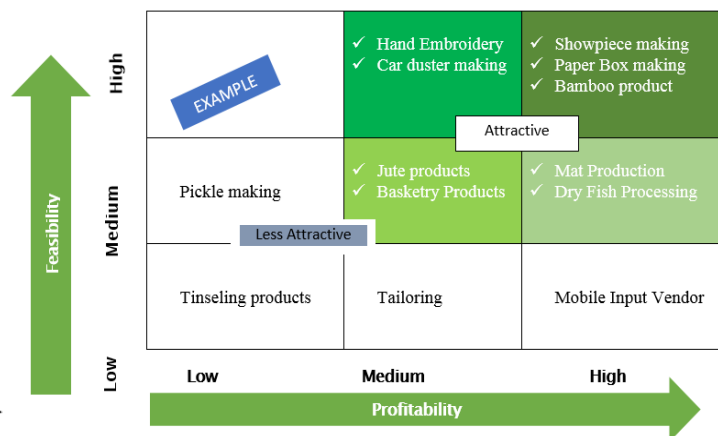
- Physical verification and emphasis on their choice in selection of trade
- Enrollment for program delivery

Agriculture & Alternative Livelihoods Market Assessment

An extensive market assessment was undertaken to identify suitable on-farm businesses and alternative livelihood options.



for the specific ALO. Further, based on feasibility and profitability, Nobo Jatra applied an attractiveness matrix and selection criteria (i.e., climate resiliency, market demand, income and employment potentiality, and potential to incorporate women and youth and involve micro small medium enterprises) to identify the following ALOs, which the project is implementing.



Income Generating Activity selection

Considering criteria like nutrition and food security ensuring potential, outreach, climactic tolerance, growth, profitability, a thorough literature review and key informant interviews with government officials, producers, traders, input sellers and focus group discussion with communities, the following on-farm livelihoods options were identified:

Option 1	Option 2	Option 3	Option 4
Short Duration Zinc Enriched Rice & Lentils	Vegetables	Fish	Duck & Indigenous Poultry

In selecting off-farm/ Alternative Livelihood Options (ALO), participant profile (skill, willingness and resources), and ALO profile (demand, income potentials, input and support service availability, and socio-economic and cultural context) were analyzed and matched with participants. Identified ALOs were segregated based on the income earning potential for the adopter and growth potential

Group formation

For every trade, Nobo Jatra forms groups of up to 25 participants each. The group consists of nearest selected participants and is flexible considering geographical distribution of participants. Convenient venues were selected considering the density of participants and accessibility.

Capacity building

Participants were provided skills training through respective trade/businesses considering the following criteria:

- Private sector organization / training service providers are ready for long term support to AIGA participants
- In the absence of private sector, participants will be able to continue their production and business
- Locally developed aggregators among the project participants for sustainable business model.

Business planning

IGA participants were supported to develop business plans considering the following elements:

- Market needs assessment involving output buyer as the source of market information
- Inputs/services for their regular and smooth production
- Cost-profit analysis
- Target customers/ideal clients
- Competitive advantage of the product
- Proper operations by gaining appropriate knowledge
- Financial projections for regular profit/loss identify
- Risk assessment and mitigation plan

Start-up inputs

Start-up input support (smart subsidy) encourages participants to start businesses and cover market gaps to lower barriers to market entry. Nobo Jatra introduced and promoted a buyback mechanism. In this mechanism, buyers provide participants with technical training and product specification at the beginning. For production, they supply all raw material and product samples. After production, buyers buy the products and/or pay the wages. The project also motivated relevant government departments such as Department of Agriculture Extension, Department of Fisheries, Department of Livestock Services, Department of Youth Development, and private companies and their network members to share costs for the poor participants from their allocated budget/resources.

3.2.3 Strengthen Linkages among Private Sector to Identify and Select Market Based Livelihood Opportunities

To increase the employment opportunity of IGA participants in partnership with private sector investment/resources, Nobo Jatra developed a buyback mechanism with producers to strengthen sustainability of rural businesses and increase services. Nobo Jatra:

- Developed business relationships with large, medium and small private companies so that they include poor and extremely poor in their pool of producers

- Built functional relationships with government departments to provide technical support and inputs for the poor to produce and participate in the market
- Applied “crowding-in” method for creating an enabling environment where poor participants engage themselves in profitable economic activities
- Capacitated project participants in business planning, production and marketing
- Capacitated market actors in providing quality services

4. Key Achievements

4.1 Entrepreneurial Literacy Training

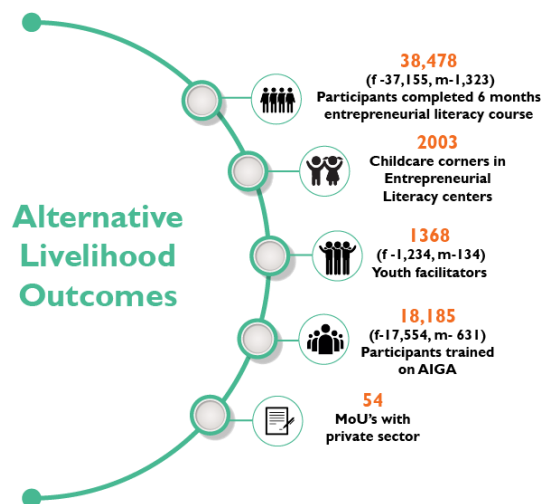
- Developed 12 curricula and modules for the EL training
- Employed 1,090 (101 male, 989 female) EL teachers from the community to build local capacity and trained them using a Training of Trainers (ToT) model covering both technical content and facilitation methods
- Established 1,603 child care corners in entrepreneurial literacy centers to maximize women’s participation
- Provided 6-month Entrepreneurial Literacy training for 18,000 Alternative Livelihoods participants.

4.2 Alternative Income Generating Activities (AIGA) Training

- Develop 20 trade specific enterprise guidelines
- Provided trade-based training on alternative income generating activities (AIGA) to 18,000 participants
- Distributed AIGA related inputs (e.g., frame, hard paper, chicks, incubator, crystal puthi, bamboo with tools, sewing machine with cloth and sensors, electric sewing and overlock machine) to 3,200 trained AIGA participants
- Assisted 18,000 trained participants in securing job placement and self-employment opportunities.

4.3 Private Sector Linkages

- Organized four workshops at the sub-district, district, division and national level with private companies to generate their interest and identify promising private sector partnerships
- Organized one fair in collaboration with private sector at divisional level
- Organized 32 networking meetings between producers and buyers of IGA products
- Signed 54 memorandum of understating (MOU) or letters of agreement (LOA) with private sector actors
- Trained 2,000 producers involving private sector and provided required tools and inputs on cost-sharing basis
- 85 participants enrolled in the Department of Youth Development training programs



5. Lessons Learned

Nobo Jatra has invested considerable efforts to identify a viable Training Service Provider (TSP) for potential AIGA participants and undertaken an assessment which clearly articulated that:

1. The private sector can take a vital role based on linking producers to markets where the linkages are contextually viable, suitable, market centered, and ensure sustainable business
2. Locally developed aggregator or private firms are very useful for AIGA participants for implementing a sustainable business model.

6. Opportunities to scale and replicate

Moving forward, Nobo Jatra will work to build on its successes by increasing the number of buyers, which will strengthen the income of producers. Further, as part of Nobo Jatra's exit plan and sustainability strategy, the project will exit from facilitating the relationships between the producers and the buyers. The role of Nobo Jatra will be to introduce the buyers to the producers and then strengthen the commercial linkages. Nobo Jatra will also develop an agent approach to commercial links with the aggregator of the production. For example, in the traditional cardboard lunch box construction, the agents will link the buyer to Nobo Jatra organized producer groups and other producers beyond the project. This will also allow scale up of the alternative livelihoods efforts so that entire communities can benefit from alternative skills and income generating opportunities.

7. References

World Bank. (2016). Bangladesh: Growing the Economy through Advances in Agriculture. <http://www.worldbank.org/en/results/2016/10/07/bangladesh-growing-economy-through-advances-in-agriculture>

Acknowledgments

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