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AGRO-INPUTS PROJECT

Annual Progress Report

Year 1: September 17, 2012- September 30, 2013



November 21, 2013

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Agro-Inputs Project in Bangladesh

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USAID Cooperative Agreement

AID-388-A-12-00005

Implemented by CNFA

Submitted to:
USAID/Bangladesh
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Acronyms

AAPI	Accelerating Agriculture Productivity Improvement
AIP	Agro-Inputs Project
AIRN	Agro-Inputs Retailers Network
AIS	Agricultural Information Service
AVAS	Association of Voluntary Actions for Society
BADC	Bangladesh Agricultural Development Corporation
BCPA	Bangladesh Crop Protection Association
BFA	Bangladesh Fertilizer Association
BIDS	Bangladesh Institute for Development Studies
BMT	Business Management Training
BPRSSP	Bangladesh Policy Research and Strategy Support Program
BSA	Bangladesh Seed Association
CASEED	Center for Agri-research and Sustainable Environment and Entrepreneurship Development
CLA	CropLife Asia
CPPs	Crop Protection Products
DAE	Department of Agricultural Extension
EDDR	Environmental Due Diligence Review
FTF	Feed-the-Future
FO	Field Officer
GIS	Geographic Information System
GLC	Gender Lens Committee
GOB	Government of Bangladesh
IPM	Integrated Pest Management
LOP	Life of Project
M&E	Monitoring and Evaluation
MOA	Ministry of Agriculture
MOU	Memorandum of Understanding
OCA	Organizational Capacity Assessment
OCD	Organizational Capacity Development
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
SPRING	Strengthening Partnerships, Results and Innovations in Nutrition Globally
SSA	Spatial Systems Associates
STTA	Short-Term Technical Assistance
TOT	Training of Trainers
USAID	U.S. Agency for International Development
WEAI	Women's Empowerment in Agriculture Index

I. Project Background

Key Project Details

Title:	Agro-Inputs Project (AIP) in Bangladesh
Start Date:	September 17, 2012
Project Duration:	Five Years
Type of award:	Cooperative Agreement No. AID-388-A-12-00005
Award Amount:	\$14,028,602
Main Implementer:	CNFA
Sub Implementers:	Spatial Systems Associates

Project Objective and Interventions

The objective of the U.S. Agency for International Development (USAID) Agricultural Inputs Project (AIP) is to improve the supply of quality agricultural inputs through input retailers. Its central effort is the creation of a sustainable Agro Input Retailers Network (AIRN) through Intervention 1. Interventions 2- 4 are designed to work in concert and holistically with Intervention 1. AIP's four interventions are:

- 1) Establishment of an Agro-Input Retailers **Network**;
- 2) Development of **Market Information Systems**;
- 3) Setting **Quality Control Standards** for inputs and lessening **Regulatory Constraints**; and
- 4) **Strengthening Local Organizations** towards direct implementation.

The creation of AIRN will leverage 3,000 Government of Bangladesh (GOB)-registered retailers to be certified in 20 Feed-the-Future (FTF) districts, to supply quality, unadulterated agricultural inputs to over 1 million farmers. Amongst the 3,000 retailers, 300 will be women-owned, and who will be established by matching grants and other technical assistance. All retailers will be supported to make informed business decisions for efficient, ethical, and science-based operations.

Market information systems will create and distribute an Ag-Inputs Monthly Price outlook bulletin primarily on seeds, fertilizers and plant protection products. The bulletin will be underpinned by a Geographic Information System (GIS). This will depict visual representation of input distribution networks, transportation infrastructure, client concentrations, cropping patterns, product and price trends, and other important information.

Improving quality control standards and regulatory constraints will involve working with industry associations and the GOB to develop industry standards for each of the major crops, and building capacities of associations to assert their voice to the GOB. AIRN will conduct “Business Ethics Audits” of certified retailers for transparency and consistency.

AIP will build the capacity of local organizations so that they are brought up to USAID’s standards as potential future implementers of AIP and other related activities. This will be made possible through capacity building and providing financial assistance to the organizations such as business associations, NGOs, microfinance institutions, research institutes and government agencies.

Introduction

This report presents AIP’s Quarterly Progress Report for Year 1, Quarter 4 (July 1 through September 30, 2013) in Section II, and AIP’s Year 1 Annual Progress Report (September 17, 2012 – September 30, 2013) in Section III. To minimize repetition, the Quarterly Progress Report is brief, and the Annual Report that follows addresses the entire program year’s activities, outputs and achievements. Lower-level outputs are reported for the entire year in Annex 1. Financial reporting is provided for both Quarter 4 and the entire Year 1.

II. Quarterly Progress Report- Quarter 4: July 1, 2013- September 30, 2013

Intervention 1: Establish Agro-Input Retailers Network

1.1a Establish the Agro Input Retailers Network (AIRN)

1.1.1 Selection of 90 out of 122 *Upazillas* in 20 FTF Districts

In the fourth quarter (Q4), four additional *upazillas* were added to the growing list of where AIRN membership drives will take place: Barisal Sadar, Barisal Wazirpur, Barisal Babugonj, and Khulna Fultala. All have *ad hoc* committees formed as a result of stocktaking workshops.

1.1.2 Assessments of Private Sector Agricultural Input Companies

AIP signed a Memorandum of Understanding (MOU) in Q4 with Lal Teer Seed Limited with the view to improve supplies of quality agricultural inputs through retailers. As per the MOU, Lal Teer Seed will train 1,000 retailers (in 40 batches of 25 retailers) and establish 150 demonstration plots of their seed products with 450 Field Days (150 demonstration plots, three field days each) in the southern districts by December 31, 2014. These 1,000 trained retailers will be the potential members of AIRN and may be *Astha* Seal of Quality certified. Under all four MOUs at present, AIP has the obligation to conduct supply chain assessments. Three companies remain to be assessed: Global Agrovet, Bayer CropScience and Lal Teer Seed. Syngenta was assessed by a consultant earlier in the program year. An "AIRN Supply Chain Advisor" will be hired during the second quarter of Year 2 and his/her primary job will be the supply chain assessment of the remaining three companies, as well as other input companies, as an AIRN member service.

1.1.3 Identify Training Needs of Retailers

No additional activity took place beyond that reported in the Quarter 3 Progress Report.

1.1.4 Working Purpose, Objectives, and Modalities of AIRN

During Q4 a short-term technical assistance (STTA) assignment was completed by Russell Williams to evaluate agricultural input retailers' business models to determine constraints and opportunities that could be addressed through services provided by an agricultural input retailers association (AIRN). This included an assessment and comparison of the existing business models for selected agricultural input retailers, and an assessment of potential services and specific niche that could be provided by AIRN to strengthen retailer businesses.

Taking into account the input of the aforementioned consultancy, in Q4, several key strategic documents were finalized: AIRN membership criteria, *Astha* Seal of Quality criteria, and AIRN and *Astha* membership services. A selection of these services includes the following:

- Improving member retailers' reputation and visibility as suppliers of quality products and services by earning the *Astha* Seal of Quality.
- Providing support for offering embedded services to farmer customers.

- Access to training on the handling, storage, field application, and disposal of agriculture chemicals, as well as business management training.
- Increasing marketing opportunities through field demonstrations of quality products.
- Access to results of assessments of companies' internal quality regulation to identify trust suppliers.
- Attending Agriculture Fairs/Exhibitions to maximize visibility.

All these materials have been translated into *Bangla*. In addition, an AIRN membership application form, AIRN membership certificate, and *Astha* Seal of Quality agreement form have been drafted. At quarter's end, AIP awaits USAID approval of a modified *Astha* logo and a new AIRN logo.

1.1.5 AIRN Structure and Members

The AIRN Coordinator joined the program September 8, 2013. A long hiring process for the recruitment of Field Officers was completed in August. Out of more than 1,000 applicants, four males and two females were selected to fill the positions. Two of the Field Officers joined the last week of September, and the remaining four will join by October 20 in the next quarter. A thorough three-day initial orientation is planned for then.

1.1.5a AIRN Membership Drive

The Jessore AIRN *ad-hoc* committee organized a meeting in July to discuss the chapter membership drive, membership fee, specific monthly meeting place, and signboard for their chapter. A strategy and process of the AIRN membership drive have been developed. Pending the approval of *Astha* and AIRN logos by USAID, all tools to launch the drive will have been developed, including the following: standard presentation to new *upazillas*, AIRN membership application, AIRN membership certificate, *Astha* agreement, *Astha* signboard, and Field Officers' readiness.

1.1.6 Credit Guarantee Fund

No activities under this sub-intervention took place in the quarter. USAID announced a larger program for a credit guarantee facility to BRAC Bank near the quarter's end, and has urged the AIP to look into possibilities of aligning its \$250,000 credit guarantee facility with that of BRAC Bank.

1.1.7 Gender Lens Committee (GLC)

Three NGOs (Ashroy Foundation, *Banchte Shekha*, and the Association of Voluntary Actions for Society-AVAS) were engaged for nominating Gender Lens Committee (GLC) members; all prospective members are the gender focal person or task force member of their respective NGOs. Two other members of the GLC will be AIP's Gender Specialist (who will chair the GLC) and the AIRN Coordinator. A draft GLC mandate was completed. The first GLC meeting is planned early in Q1 of Year 2.

1.1.8 Creation of Women Retailers through AIRN

The implementation of grants for women retailers' creation will be overseen by three (to be) sub-awarded NGOs. In September the Grants Manager and Gender Specialist performed Organizational Capacity Assessments (OCAs) to analyze the three NGOs' current program and financial performance. CNFA's self assessment form for financial capacity assessment was used in tandem with USAID-OCA tools

for program performance assessment. Four tools were drafted in the quarter for grant making by AIP: a Grants Manual, Grants Application, Grants Agreement, and Grants Tracker. An international STTA will be proposed to appraise and modify these tools, and to build the capacity of AIP staff in their use and integration into monitoring and evaluation systems.

1.1.9 Strengthen Agricultural Input Wholesale Associations

1.1.9.1 Directory of Input Supply Companies and Wholesalers

In late September AIP issued a tender to attract external support to create a Directory of Input Supply Companies and Wholesalers. In this brief an additional task was put forward to enlist *all* GOB-registered agro-inputs retailers in the FTF zone. At the end of Q4, tender responses are still being negotiated.

1.1.9.2 Capacity Development of BSA, BFA, and BCPA

The improvement of association member services will be added to the brief of an external party who will perform Organizational Capacity Development (OCD) of these three business associations (see Intervention 4).

1.2 Trainings/Seminars/National and International Study Tours

No activities took place in the quarter for national and international study tours. This activity awaits the addition of more mature members to AIRN in order to begin.

1.2.1 Development of Training Modules

Meetings took place with four companies who will train their respective retailers in three basic subjects (agronomic use of inputs, retailers' business management, and safe use and handling of pesticides), to ensure that the companies' Master Trainers adopt the content of their Training of Trainers (TOT) courses into modules they will use to train retailers. In Year 2, third party Master Trainers will deliver trainings to AIRN member retailers as an AIRN service.

1.2.2 Master Trainers' Selection, TOT, and Trainings

A Training of Trainers course on Safe and Judicious Use of Pesticide for Syngenta and Bayer Crop Science Master Trainers was held in early July at the Department of Agricultural Extension (DAE), organized jointly by DAE's Plant Protection Wing and AIP. The table below illustrates the status of Master Trainers' trainings at the end of Q4:

Company	Master Trainers trained (TOT) in Agri-Business Management	Master Trainers trained (TOT) in Safe & Judicious Use of Pesticide	Total number of trainings provided to individuals	Number of Master Trainers Trained
Syngenta Bangladesh Limited	6	8	14	11
				The total number of trainings is 14, but three participants took part in both of the trainings. As per revised (Sept. 2013) FTF

				Performance Indicator Reference Sheet (PIRS) participants will be counted once in case they participate in more than one training.
Bayer Crop Science Limited	3	3	6	4
Lal Teer Seed Limited	7	7	14	11
Global Agrovet Limited	6	6	12	7
Total for all companies	22	24	46	33

1.3 Prepare and Distribute Brochures

Material was gathered for the development of the first AIRN brochure. In addition, two meetings were held with the Agriculture Information Service (AIS) in order to obtain relevant, up-to-date brochures already in print. AIP asked AIS for the published price list for chosen materials to purchase them in bulk quantity, soft copies of existing e-books to examine; and unit costs for production and broadcasting of community radio services.

1.3.1 Branding and Marketing Campaign for AIRN

Key branding and marketing documents were drafted: AIRN membership criteria, *Astha* seal of quality criteria, and AIRN and *Astha* membership services. An AIRN membership application form, AIRN membership certificate, and *Astha* Seal of Quality agreement form have been drafted. In addition, a one-page AIP flyer, in both English and *Bangla*, was developed and published. The flyer included information about AIRN. At quarter's end AIP awaits USAID approval of a modified *Astha* logo and a newer AIRN logo.

1.3.2 Public Awareness Campaign for Proper Use of Seed, Fertilizer, and Pesticides

Formative plans were made to conduct radio media messaging on the safe use of pesticides to coincide with upcoming demonstration plots' establishment, in concert with the AIS Community Radio program.

1.3.3 E-Books' Improvement

Several discussions with AIS took place to see if 14 existing e-books could be improved or updated. AIP decided it would also like to work with the AIS to produce new e-books on the use and storage of seed, the safe use of pesticides, and fertilizer use rates for food crops. An MOU with AIS will have to be developed.

Intervention 2: Market Information Systems

2.1 Analysis and Distribution of Ag-Inputs Monthly Price Outlook Bulletin

Two elements must be in place prior to the commencement of the Monthly Price Outlook Bulletin: first, AIRN member retailers; second, a realistic approach to collect genuinely useful information. Both are planned for the next two quarters, following

the strategic discussions which took place in September. An AIRN Supply Chain Advisor will be hired in the second quarter of Year 2, and he/she will assess the internal regulatory procedures of the input companies with whom AIP has already signed MOUs (Syngenta, Bayer, Global, and Lal Teer). He or she would proceed to enlist the top products (anticipated to be approximately 60) in terms of their sales volume in the FTF program area. AIRN Field Officers will collect information on price, trends and quality features of these selected products every month through random sampling - by visiting five AIRN member retail shops per *upazilla* per month. This information will be posted in the Monthly Price Outlook Bulletin. The AIRN Supply Chain Advisor will proceed to perform assessments and ratings of the internal (self) regulatory quality procedures of companies whose products are on this list, and who want their companies' quality rating advertised. The First Monthly Bulletin is expected to come out in the third quarter of Year 2.

2.1.1 GIS Development

Significant advances were made in Quarter 4 on Geographic Information Systems (GIS) development. Bayer's retailers' point data has been geocoded, and Syngenta and Global data have been 80% geocoded. Proprietary access to the system for the respective data provider has been incorporated. LGED road network data has been collected through USAID. This could be (possibly) used as referenced data for geocoding. From the Agriculture Census 2008 of the Bangladesh Bureau of Statistics, potential agricultural data on cropping intensity has been mined from public domain (web-based) PDF files and incorporated into the GIS database as another base layer.

2.2 Agricultural Exhibitions

As per the draft Year 2 Implementation Plan, AIP planned to organize an Agricultural Fair in the month of December, 2013 in Khulna. But due to the more-recently predicted political unrest, AIP has decided to move this event to February 2014, after the parliamentary election takes place. AIP discussed with an event management company (e3 Solutions) to gain preliminary ideas towards tendering the Fair's organization. Next November AIP will develop a Strategy and Action Plan (which includes Fair theme, cost structuring, booths, advertisement and media coverage, and venue facilities) in concert with the Bangladesh Seed Association (BSA), the Bangladesh Crop Protection Association (BCPA), and the Bangladesh Fertilizer Association (BFA), for organizing a two-day Fair in early February 2014. AIP also checked the most suitable places as a venue in Khulna for the Fair, which are Zia Hall and Hadis Park. Agricultural Fair participants will include retailers, regional and national wholesalers, and national and multinational input companies. As per the MOUs, three companies agreed to participate in the fairs with cost sharing. AIP and AIRN will elaborate a theme for the event, such as "Innovation and Environment-friendly and Safe Use of Agro-inputs."

2.3 Collaborative Demonstration Plots with Other FTF Programs

2.3.1 Identification of Collaborators and Plots

Syngenta, Bayer CropScience, Lal Teer and Global Agrovot submitted their detailed demonstration plans. These four companies together would establish 225 demo plots collaboratively with AIP this winter season to show the impact of quality inputs. Through expert consultation with an international consultant, AIP completed a draft

Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) in mid-July. None of the products to be demonstrated had Active Ingredients on the “rejected list,” and many products to be demonstrated were vegetable seed, and integrated pest management (IPM)-related products like pheromone traps and soil amendments. AIP had anticipated that the PERSUAP would be approved by the end of September, but it is as of yet not approved. Therefore, USAID has disallowed AIP to co-finance Demonstration Plots (and associated Field Days) until the PERSUAP is approved. AIP aims to have the PERSUAP approved by the end of December to thus enable collaborative Demonstrations to take place in the late winter season.

2.3.2 Field Days

Three Field Days per demo plot would be organized during: i) demo setup ii) vegetative stage, and iii) final harvest stage. A total of 675 field days would show the impact of quality inputs to the farmers. Most of these will not take place in the next quarter as a consequence of an unapproved PERSUAP.

2.3.3 Demonstrations to Promote High Value Nutritious Crops and Technologies

In Year 2, 50 new women-owned retailers will be developed by providing matching grants. Specialized demonstration plots will be established in collaboration with other FTF partners (such as the Strengthening Partnerships, Results and Innovations in Nutrition Globally- SPRING- program) and establishing linkages with inputs suppliers of quality nutrient-dense vegetables.

Intervention 3: Quality Control and Standards and Regulatory Constraints

3.1 Adherence to Industry Standards

After reviewing the existing seed quality standards, AIP continued expert consultation to analyze those standards, their enforceability, internal lapses, possibilities of upgrading existing standards, and possibilities of developing new standards. In discussions between AIP and the Bangladesh Agricultural Development Corporation (BADC) (the major seed producer in the public sector), it became clear that BADC sees a need to develop new seed standards for crops. A consultant from the Islamic Development Bank through their Enhancing Quality Seed Supply Project contributed to the discussions together with AIP in drafting new seed standards. AIP attended a workshop on seed sector regulatory reforms and expressed AIP’s intention to be involved in this issue. The executive body the Seed Wing of the Ministry of Agriculture (MOA) accepted AIP’s inclusion in the formal Committee for addressing new seed standards. Development of seed standards will continue in Year 2.

3.2 Certification and Business Ethics

The new AIRN Coordinator joined in early September, and will begin this activity once the field-level AIRN membership drive is well underway.

3.2a AIRN Certification

This will begin as the AIRN membership drive proceeds.

3.2B AIRN Business Ethics Committee

Now that the AIRN Coordinator has joined the program, this will be a priority in the next quarter of Year 2.

3.3 Monitoring

For annual audits of *Astha*-certified retailers, the Monitoring and Evaluation (M&E) team of AIP devised an approach in the new M&E Plan to engage a third party entity to perform annual audits.

For the call center, strategic discussions took place with Practical Action, which has a pilot call center activity housed in the AIS. These discussions enabled AIP to formalize a strategy in September for its plans to establish a call center in Year 2.

3.4 Coordination on Policy, Legal, and Regulatory Constraints

Several meetings took place with the Bangladesh Policy Research and Strategy Support Program (BPRSSP) in Quarter 2, resulting in the following: a) AIP and BPRSSP agreed to a joint meeting with MOA to explain the mutual effort towards policy redressing, and b) a similar set of joint meetings with BSA, BCPA, and BFA to explain this mutual effort - but in concert with BPRSSP's sub-contractors Center for Agri-research and Sustainable Environment and Entrepreneurship Development (CASEED) and the Bangladesh Institute for Development Studies (BIDS), so that they can also gather opinions from the private sector. At AIP's initiative, a meeting took place in USAID with the respective AORs of AIP and BPRSSP to sanction the cooperation between the two programs. The Policy and Enabling Environment Advisor resigned from AIP on September 23, 2013.

Intervention 4: Strengthening Local Organizations

4.1 Organizational Capacity Assessment

AIP tendered for a third party group to perform both Organizational Capacity Assessments, and Organizational Capacity Development. Of 23 parties who picked up the bidding documents, 13 responded with bids, and three were shortlisted. The financial proposal of the top contender is presently being re-negotiated. An important part of the work will be to identify the weaknesses, and further development of, member services of the three Business Associations (BSA, BCPA, and BFA).

4.2 Training Design

The successful bidder of the above tender will design Organizational Capacity Development trainings in concert with AIP.

Monitoring and Evaluation (M&E)

During Quarter 4, AIP's M&E Unit has finalized the data collection formats and protocols for 13 Performance Indicators and 21 lower-level indicators, as per the M&E Plan approved by USAID on June 20, 2013. These include three main templates: Formats 1 and 2 will be used to capture data from the direct beneficiaries (AIRN Retailers) by AIRN Field Officers, and Format 3 will capture mainly the lower-

level indicators with a few performance indicators. Additionally a set of protocols (in a register) was developed to record day-to-day transactions of retailers, which they write themselves. This includes their participation in capacity building events organized and/or facilitated by AIP. These formats and register will ultimately serve as the direct sources of data for AIRN Field Officers to capture, and this written trail will help in justifying and validating collected data during Data Quality Assessments. A guideline has also been developed to support the data collection process by simplifying the key terms. This will be revised from time-to-time as necessary. M&E and GIS data need to overlap in some cases. The M&E Unit has worked with the GIS team to avoid duplication in picking up point data of AIRN member retailers.

Project Management, Mobilization, and Cross-Cutting Themes

1. Logistics

AIP established an office in Barisal; the office equipment has been purchased and the office is fully operational. Three additional motorbikes were procured for AIRN Field Officers (FOs). AIP procured seven notepads/tablets for multiple uses by AIRN Field Officers: capturing and uploading AIRN retailer point data, filling in M&E formats, taking visual images and voice, email, and for office use, word processing, and spreadsheet work.

2. Staffing

The AIRN coordinator, Md. Mokshed Ali, and two FOs joined the AIP team this quarter. In the upcoming quarter, four additional Field Officers will join. Among the FOs, two are female and four are male. An Office Manager joined the Barisal office. The Policy and Enabling Environment Advisor, Mr. Nizamuddin Al Hussainy, resigned and an active search for a replacement is underway.

3. Sub-awards

In the fourth quarter, three sub-awards continued from the previous quarter with activities related to the Gender Assessment:

1. **Ashroy Foundation** of Khulna ,
2. **Association of Voluntary Actions for Society (AVAS)** of Barisal and
3. **Banchte Shekha** of Jessore

4. Communications and Public Relations

The AIP website has been developed and has been accessible online since August 2013 (www.aipbd.org). Its content is becoming more populated with interesting news and features. Preliminary meetings took place with a commercial event manager to explore the wherewithal of conducting an Agricultural Fair next February. Dialogues took place with the AIS on e-books' improvements and additions, community radio, and educational materials on safe use of pesticides. Further work was put into developing the (new) AIRN and (modified) *Astha* logos. An AIP one page flyer was made, which replaces the earlier AIP fold-out project brochure. *Bangla* and English versions are both available. A detailed Communications Plan was developed and included in the Draft Year 2 Implementation Plan.

5. Gender

The Gender Assessment went through substantial work in the quarter, through major re-writing for clarity and consistency, and is planned to be finalized in November.

6. Matching grants

Drafts were developed of the four principle tools: Grants Manual, Grants Application, Grants Agreement, and Grants Tracker. Organizational Capacity Assessments were conducted of the three potential partner women's NGOs. It is anticipated that AIP's Grants function will need support of an STTA to finalize the four tools and build the capacity of AIP staff.

7. Environment

The EDDR went through editing passes, whose gaps were given to the PERSUAP consultant to redress. A PERSUAP consultant completed a draft PERSUAP. AIP's Environmental Specialist was hired in July, participated throughout the PERSUAP drafting work, and subsequently participated in the USAID-organized CFR 216-compliance training in Bangkok (Asia Regional Environmental Compliance and Environmentally Sound Design and Management). Three Environmental Interns were adjudged as necessary to assist the Environmental Specialist (in a very heavy load) in evaluating the suitability of potential Demonstration Plots, and were identified with contracts drawn up, and hired. AIP views this as a way to lessen the dearth of professionals in the combined field of Environment and Agriculture under USAID compliance in Bangladesh. A check list for the evaluation of demo plots was developed on the basis of the draft PERSUAP. The Environmental Specialist continued readings of USAID environmental regulations. He also led discussions with four companies on acceptable and rejected pesticides (based on the draft PERSUAP) for planned demonstration plots, and ascertained that they will not use part of one video of CropLife Asia (CLA) in the companies' trainings of their respective retailers.

Key Issues of Interest

- **Grants**

Matching grants for the establishment of women's retail businesses have not yet been issued in the project, as the main focus has been on establishing the AIRN and completing the gender assessment prior to awarding grants. During the fourth quarter, drafts for the Grants Manual, Grants Application, Grants Agreement, and an internal Grants Tracker tool were developed. The project requires expertise to harmonize these to make them consistent and relevant to rural Bangladeshi women, and plans to bring in brief external assistance to finalize these principle tools in the upcoming quarter.

- **Sub-Recipients**

AIP began early in Quarter 3 to work with three local women's NGOs (Ashroy Foundation, AVAS and *Banchte Shekha*) to assist in the implementation of the surveys and focus group discussions for AIP's initial Gender Assessment, and it is expected that this will begin a collaborative relationship for future work throughout the project for grant making implementation for establishment of female retailers.

AIP’s GIS-focused sub-implementer, Spatial Systems Associates, has continued working on the Geodatabase and application uses for Field Officers in Quarter 4.

At the end of Quarter 4, a tender was released for assessments of three associations (BSA, BFA, and BCPA to be contracted to a local third party OCA and OCD organization in Quarter 1 of Year 2.

- **Research & Technology**

The key area of interest for the AIP thus far is a creative application of a GIS system that will underpin market information systems. Good progress has been made; however, harnessing the GIS to genuine full use is not a given “blueprint.” It will necessarily involve a creative path to make it useful as a strategic, decision-making tool.

- **Nutrition Integration**

Activities to integrate nutrient-dense vegetables into demonstration plots, associated with women retailers, will proceed once women retailers have begun to be established in Year 2.

- **Global Climate Change Mitigation**

Some input companies have developed hybrid (non-GMO) rice seed that is saline tolerant, and these varieties will be encouraged to be used in the upcoming Year 2 Quarter 2 demonstration plots.

Financial and Expenditure Summary

	<u>Total Budget</u>	<u>Budget FY 1</u>	<u>Expenses Q4</u>	<u>Expense FY 1</u>	<u>Balance End FY 1</u>
1. Direct Labor	\$3,100,466	\$659,068	\$187,618	\$554,231	\$104,837
Expatriate Labor	\$1,173,850	\$322,352	\$29,689	\$201,689	\$120,663
Local Labor	\$1,385,216	\$233,820	\$59,602	\$183,892	\$49,928
HQ Labor	\$378,795	\$68,552	\$14,724	\$47,963	\$20,589
Expatriate STTA	\$162,605	\$34,344	\$83,603	\$120,687	(\$86,343)
2. Fringe Benefits	\$1,176,622	\$242,216	\$52,920	\$148,172	\$94,044
3. Supplies and Equipment	\$961,174	\$282,069	\$45,590	\$164,878	\$117,191
4 Allowances	\$623,018	\$180,926	\$22,733	\$244,962	(\$64,036)
5. Travel and Per Diem	\$776,795	\$162,878	\$32,472	\$123,847	\$39,031
6. Other Direct Costs:	\$2,397,533	\$420,236	\$36,909	\$138,050	\$282,186
Rent and Utilities	\$238,708	\$43,200	\$10,147	\$82,601	(\$39,401)
Activity Costs	\$1,839,400	\$293,480	\$20,758	\$32,875	\$260,605
Communication Costs	\$224,394	\$48,800	\$5,198	\$17,574	\$31,226
Other Costs	\$95,031	\$34,756	\$806	\$4,999	\$29,757
7. <u>Subcontracts/Agreements</u>	\$2,095,277	\$596,416	\$73,999	\$199,766	\$396,650

Spatial Systems	\$615,277	\$317,416	\$73,999	\$199,766	\$117,650
Guarantee Facility	\$250,000	\$50,000			\$50,000
Grants to Agro-input Retailers	\$300,000	\$25,000			\$25,000
G-mark and BASC	\$180,000	\$54,000			\$54,000
Local Organizations	\$750,000	\$150,000			\$150,000
8. Indirect Cost	\$2,897,719	\$624,529	\$115,814	\$427,296	\$197,233
9. Cost Share	\$300,000	\$25,000	\$0	\$0	\$25,000
TOTAL	\$14,028,604	\$3,168,338	\$568,055	\$2,001,203	\$1,167,135

Key Constraints

Hartals: Out of 53 working days in the quarter, 10 days (19%) were marred by general strikes (*hartal*) in and outside of Dhaka. These disrupt travel and work. The project partly mitigates disruption of *hartals*, which mostly are staged during the working week, by sometimes performing field work on weekends.

Summary of Key Activities Next Quarter

The Environmental and Due Diligence Review (EDDR) and PERSUAP are anticipated to be approved in Quarter 1 of Year 2. Strategic discussions with USAID will take place in order for the AIP to move ahead as planned. The AIRN membership drive will begin in earnest in early November, prior to which all the tools required will have been developed. An expatriate SCBA will be deployed in late October/early November. Agriculture Fair planning will proceed. An MOU with the AIS will be developed on use of Community Radio, e-books' improvement and additions, and acquisition of brochures. A SOW and candidate for an STTA to assist AIP's Grants function will be presented to USAID; this STTA is planned to be completed in first quarter of Year 2. Tender awards for Intervention 4's organizational capacity assessment and organizational capacity development, as well as for the Directory of Companies and Wholesalers, will be issued and begun. The latter will include enlisting GOB-registered retailers in the FTF zone. Meetings are planned with the MOA, and with the BSA, BCPA, and BFA – in concert with the BPRSSP.

III. Annual Progress Report: September 17, 2012- September 30, 2013

Summary of Key Achievements in Year 1

AIP has completed its first year of program implementation, which has covered start-up, mobilization of key staff, and the commencement of program activities. There have been several changes in the top management positions, despite which the program has successfully increased the pace of implementation, and is on a sound track for operation and output delivery in its second year and beyond. AIP's first year has laid the groundwork for each of the four program interventions, and for foundation monitoring instruments, environment-related monitoring and mitigation, and gender-focused activities, and has made sound progress in meeting output targets.

Intervention 1 - Establish the Agro-Input Retailers Network (AIRN) - is central to the achievement of the project Objective, and is the most challenging in terms of integration with other interventions and complexity. Consequently, the project spent a considerable amount of time and resources on this intervention in Year 1.

In Year 1, CNFA signed MOUs with four private sector input companies to provide training to their associated retailers who may potentially join the AIRN, and also to collaborate and provide cost sharing in demonstrations of quality agricultural inputs. AIP has ensured that the companies include all three basic, entry-level AIP training elements: business management training, safer and responsible use of input products, and agronomic use of inputs- in their training content. In Year 2, the retailers who are not associated with the four private sector input companies will be further targeted for these trainings.

AIP conducted a series of stock-taking workshops in targeted project-area *upazillas* to grasp the field realities and needs of retailers to consider when establishing the AIRN and its member services. In addition, these workshops served to form *ad hoc* AIRN committees where strong interest was found amongst the participants to become future members. Based on the output of these workshops, it was determined that AIRN should operate at two levels - first at the *upazilla* level and second, a national-level network comprised of the *upazilla* chapters.

The importance of supply chains of quality inputs became increasingly evident. In Year 1 AIP assessed the supply chain of one of the four input companies with which CNFA has signed MOUs. As it emerges that this type of activity would be a desired AIRN member service, AIP anticipates recruiting a specialist on this subject matter who can work to assess internal, self-regulatory control mechanisms of companies that sell the highest volumes of agro-inputs in the Feed the Future area.

Also in Year 1, the AIRN Coordinator was hired, and the AIRN membership criteria, *Astha* Seal of Quality criteria, and AIRN and *Astha* membership services were finalized. A selection of these services includes the following:

- Improving member retailers' reputation and visibility as suppliers of quality products and services by earning the *Astha* Seal of Quality.
- Providing support for offering embedded services to farmer customers.
- Access to training on the handling, storage, field application, and disposal of agriculture chemicals, as well as business management training.
- Increasing marketing opportunities through field demonstrations of quality products.
- Access to results of assessments of companies' internal quality regulation to identify trust suppliers.
- Attending Agriculture Fairs/Exhibitions to maximize visibility.

An AIRN membership application form, AIRN membership certificate, and *Astha* Seal of Quality agreement were also drafted. At the end of Year 1, AIP awaits USAID approval of a modified *Astha* logo and a newer AIRN logo (since approved at this writing). All six AIRN Field Officers have been selected and will be on board in the beginning of Year 2. AIP envisions a strong AIRN membership drive to commence from the beginning of Year 2 under the leadership of the AIRN Coordinator, barring disturbance from the upcoming elections.

Significant progress has been made under **Intervention 2** - Market Information Systems. One important strategic decision was made that the Monthly Price Outlook Bulletin would include information related to agro-inputs companies' self-regulation procedures – and by inference their products' quality, parallel to price-related information, to help users make informed decisions on which products to buy. A mechanism and software to collect retailer point data collection was devised, and the first Monthly Price Outlook Bulletin is expected to come out in the third quarter of Year 2, anticipating that a significant number of retailers will have joined AIRN by then.

AIP's sub-implementer Spatial Systems Associates (SSA) developed a Geodatabase designed to capture the complex relationships between all facets of the agro inputs supply chain, and developed an Android-based field application for data collection. A number of basemap datasets were sought from external parties, such as Government of Bangladesh ministries and other projects; although USAID has been supportive in assisting AIP to obtain some of these datasets, not all are in the public domain for AIP's incorporation into the geographic information system (GIS). Companies with whom AIP has MoUs have proprietary passwords that enable them (but not other companies) to see their spatial data against the base layers. To this end, retailer point data was secured from Bayer CropScience, Syngenta, Global AgroVet, and a sister FTF project, AAPI, implemented by IFDC.

Under **Intervention 3** - Quality Control and Standards and Regulatory Constraints-AIP focused its Year 1 policy-related efforts primarily on the seed sector. AIP initiated discussions and established a collaborative relationship with the Bangladesh Policy Research and Strategy Support Program (BPRSSP). Extensive desk research was carried out to assess the current policies and industry standards related to the seeds industry, and many productive discussions took place with the Bangladesh Seed Association (BSA), BPRSSP, and the Bangladesh Agricultural Development Corporation (BADCO). As a result, AIP has been included in the formal committee of seed sector regulatory reforms under the Ministry of Agriculture (MOA).

At year's end AIP plans to engage BPRSSP through a series of meetings, with the MOA and separately with the Bangladesh Seed Association (BSA), the Bangladesh Crop Protection Association (BCPA), and the Bangladesh Fertilizer Association (BFA), to inform all parties of AIP-BPRSSP's collaborative efforts to bring policy change agendas to the public sector, through the advocacy efforts of the private sector.

For **Intervention 4 - Strengthening Local Organizations-** AIP explored the availability of third party organizations in Bangladesh who have experience in assessing organizational capacity and met a few with experience in working with USAID projects. AIP issued a tender in the last quarter of Year 1 for a third party group to perform both Organizational Capacity Assessments, and Organizational Capacity Development for the BSA, BCPA, and BFA. An important part of the work will be to identify the weaknesses, and further development of, member services of these three business associations (BSA, BCPA, and BFA).

Intervention 1: Establish Agro Input Retailers Network

1.1a Establish the Agro Input Retailers Network (AIRN)

1.1.1 Selection of 90 out of 122 Upazillas in 20 FTF Districts

The Year 1 focus of *upazilla* selection was narrowed to 25 by the end of Year 1, as this was determined to be the most sensible approach to accelerate the formation of AIRN. These 25 *upazillas* were selected primarily on the bases of high cropping intensity and accessibility from AIP's Khulna office. Six *upazillas* within these 25 now have *ad hoc* committees formed as a result of stocktaking workshops.

The remaining 65 *upazillas* will be chosen gradually throughout the life of the project (LOP). The strategy to expand to these remaining *upazillas* will be based upon the location and concentration of existing GOB-registered retailers within 122 *upazillas* across the key agro-ecological zones within the FTF area. Section 1.1.9.1 provides more detail about planned efforts to document and map this information.

1.1.2 Assessments of Private Sector Agricultural Input Companies

AIP signed MOUs with four multinational and national companies (Syngenta, Bayer CropScience, Global Agrovet, and Lal Teer Seed) with a view to improve the supplies of quality agricultural inputs through retailers. Syngenta Bangladesh Ltd. is a branch of a leading multinational company in crop protection products and seeds, with a network of 7,000 retailers and 400 distributors. Bayer CropScience Ltd. is a leading multinational company in crop protection products, with a network of 10,000 retailers and 600 distributors. Global Agrovet Ltd. is a leading national company with large market share in bio-CPPs and bio-fertilizers, and a strong network of 2,000 retailers and distributors. Global Agrovet is a distributor of the UK-based Russell IPM crop protection products (CPPs), and sells non-conventional and biological pest control products. Lal Teer Seed is a prominent commercial vegetable seed company in Bangladesh with a high market share.

The MOUs exact that the four companies share in covering the costs for organizing trainings of at least a total of 2,410 retailers on business management and safer use

of inputs, the establishment of 300 demonstration plots, and organizing 900 field days in the program area's 20 FTF districts by December 31, 2014. These 2,410 trained retailers will be potential members of AIRN and may ultimately become *Astha* certified. AIP has already assessed the supply chain of Syngenta out of these four companies, and is planning to conduct the same for the rest. An AIRN Supply Chain Advisor will be hired during the 2nd quarter of Year 2, and his/her primary job will be to lead supply chain assessments of the remaining three companies, as well as assessments of any additional input companies as needed as an AIRN member service. Assessments will examine companies' internal regulatory procedures, not all products; thus, companies will be rated, and this information posted in AIRN-*Astha* member shops to inspire confidence in retailers' purchase of rated companies' products, and in farmer-clients purchases.

1.1.3 Identify Training Needs of Retailers

AIP explored the existing training practices of private sector agricultural input companies. These were with three primarily CPP-focused companies: Syngenta, Bayer Cropscience and Global AgroVet, along with a vegetable seed-focused company, Lal Teer Seed. The discussions covered their approaches to agronomic technical trainings, safer use and application of CPPs, and business management training (BMT). Companies with capital resources such as these four have existing staff (or contracted staff as needed) who could serve as Master Trainers who in turn train retailers that sell their products. AIP emphasized that BMT, Safer Use training, and the agronomic use of input products must be incorporated into training of retailers.

Discussions with the BCPA and the Department of Agricultural Extension (DAE) Plant Protection Wing were aimed at assessing their understanding of retailers' existing knowledge on safer use of CPPs. Together with analysis of the "stock taking" workshops taking place with retailers in the FTF area, it was adjudged that retailers' knowledge of safer use is mixed and that the principles of Safer Use should be universally incorporated into trainings of all retailers. In light of AIP's brief to utilize CropLife Asia's Safe Use training curriculum, AIP incorporated into the SOW of an international consultant conducting a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) the additional task of appraising the relevance and thoroughness of CropLife Asia's Safe Use curriculum in the Bangladesh context.

1.1.4 Working Purpose, Objectives, and Modalities of AIRN

After careful deliberation and a number of consultations with key stakeholders, it was determined that AIRN would initially begin as an informal network. A legally-incorporated AIRN may not be necessary to achieve the project's objectives, and an early focus on incorporating AIRN as an association might diffuse project efforts in its first year. However, the AIP team will assist AIRN members to ultimately make an informed decision about its eventual incorporation by examining its benefits and drawbacks, with the commitment to AIRN's post-project sustainability and success through whatever organizational form best suits these aims.

By narrowing down the geographical focus in which to work with retailers (see Section 1.1.1, this report), AIP struck a balance between the need to reach as many retailers as possible in the FTF districts and the actual physical accessibility of retailers. Organizing stocktaking workshops in various *upazillas* allowed AIP to

expand its understanding of the needs of potential AIRN member retailers, and inform the basis for the AIRN's member services. These stock-taking workshops provided important insight as well regarding the level of interest of retailers to join AIRN. As AIP also needed to best define the potential costing of AIRN services, the project conducted an assessment on the most typical business models of representative retailers (small, medium-sized, and distributors cum retailers), which will help guide the development of an AIRN business model.

In the last quarter of Year 1, the AIRN coordinator joined the program, and several key strategic documents were finalized: AIRN membership criteria, *Astha* Seal of Quality criteria, and the outline of AIRN and *Astha* membership services. The AIRN membership application form, AIRN membership certificate, and *Astha* Seal of Quality agreement form have also been developed. At the end of Year 1, AIP awaits USAID approval of a modified *Astha* logo and a newer AIRN logo. Following this, a full-fledged membership drive will commence from the first quarter of Year 2 under the leadership of the AIRN Coordinator and in consultation with the input associations.

It is anticipated that retailers will first join AIRN, and upon completion of trainings be qualified for the *Astha* Seal of Quality. Annual audits of member retailers with the *Astha* seal will take place. If a given member retailer fails an audit in a given year, he/she may retain AIRN membership and its logo, while still paying membership dues, and regain the *Astha* seal once again having met its criteria.

1.1.5 AIRN Structure and Members

The AIRN Coordinator joined AIRN in the last quarter of Year 1. A comprehensive process of selecting the individual to fill this role was carried out. Although the AIRN Coordinator role is termed "Managing Director" in the AIP Program Description, it was decided the "Managing Director" role would be changed to that of "AIRN Coordinator," due to the fact that until AIRN's objectives, modalities, and member services are finalized through feedback from new members, a coordinating rather than a directive role is required. Once the AIRN is firmly established through registration with a definitive charter, the AIRN Coordinator position will be switched to Managing Director.

The AIRN Coordinator's main priority in Year 2 will be to lead the membership drive for AIRN. An equally important task will be to develop a sound AIRN business plan and form an AIRN Advisory Board. Throughout these tasks, the AIRN Coordinator will be guided and supported by AIP staff such as the Senior Agribusiness Advisor.

AIRN will recruit an AIRN Supply Chain Advisor. Early feedback from stock-taking workshops of would-be AIRN retailer members shows that they are concerned about the quality of products that reach their shops from higher up in supply chains, and want an AIRN member service that ensures quality. This has far-reaching implications because the assumption upon which the AIP project model rests, is that poor product quality problems are present throughout supply chains. AIP thus sees reason to incorporate supply chain assessments (see Section 1.1.2, this report) as an AIRN member service. In turn, this function should be incorporated into AIRN's own business model. The ideal profile of the AIRN Supply Chain Advisor would be a

business background, particularly in supply chain management and assessment, preferably in the agro-inputs sector.

Two Field Officers¹ joined AIRN in the last quarter of Year 1. The remaining four Field Officers will join AIRN at the early stage of Quarter 1 of Year 2. A rigorous process was followed to select the Field Officers. Out of more than 1,000 applicants, four men and two women were selected. They will work closely with the agro dealers and retailers to increase membership by advertising AIRN's purposes, services, and modalities, and will also have monitoring tasks.

1.1.5a AIRN Membership Drive

As lessons emerged from stock-taking workshops, AIP began to see the AIRN operating at two levels: the *upazilla* level, and nationwide. Retailers' sales outreach, identity, and issues are primarily local, so the national-level AIRN will be comprised of *upazilla*-level chapters. Feedback from prominent retailers in attendance at the stocktaking workshops has emphasized this. This has yielded guidance for AIP on the process of recruiting members within a given *upazilla*. Prominent retailers grasp AIRN's purpose more easily and have shown interest to join. They, in turn, have been organized into *ad hoc* committees whose purpose is to reach out to other retailers in the given *upazilla* for potential AIRN membership. As an example, the Jessore AIRN *ad-hoc* committee organized a meeting in the last quarter of Year 1 to discuss the chapter membership drive, membership fee, specific monthly meeting place, and signboard for their chapter.

Pending the approval of *Astha* and AIRN logos by USAID, all tools to launch the AIRN membership drive have been developed: a standard presentation to new *upazillas*, AIRN membership application, AIRN membership certificate, *Astha* agreement, *Astha* signboard, and hiring of Field Officers.

1.1.6 Credit Guarantee Fund

Several discussions took place between USAID and AIP on how to proceed with implementation of the credit guarantee fund. It was decided that this was a low priority intervention during Year 1. The scope of work for a STTA had been developed in the middle of Year 1 to identify existing credit facilities and their providers in the project operating areas that are available and suitable for agro retailers. This assignment did not proceed, as AIP focused its resources on exploring existing retailers' business models and defining potential AIRN member services.

Towards the end Year 1, USAID announced a larger program for a credit guarantee facility to BRAC Bank and urged AIP to look into possibilities of aligning its \$250,000 credit guarantee facility with that of BRAC Bank.

1.1.7 Gender Lens Committee (GLC)

Draft selection criteria for GLC members and functions have been developed. The roles and responsibility of GLC members have also been identified, and will be finalized in initial GLC meetings. Three NGOs (Ashroy Foundation, *Banchte Shekha*,

¹ AIP no longer uses the term "Field Agent," as this has a negative connotation amongst rural retailers; instead, the term Field Officer will be adopted for these AIRN staff.

and the Association of Voluntary Actions for Society-AVAS) were engaged for nominating GLC members; all are the gender focal person or task force member of their respective NGOs. Two other members of the GLC include AIP's Gender Specialist (who will chair the GLC) and the AIRN Coordinator. A draft GLC mandate has been completed. The first GLC meeting is planned early in the first quarter of Year 2.

1.1.8 Creation of Women Retailers through AIRN

AIP sought to identify appropriate grant structuring for rural Bangladeshi women retailers through surveys implemented in its Gender Assessment. A series of discussions in Khulna and Dhaka resulted into a better consolidation of AIP's Grants Functions on matching grants and their appropriate shares between AIP and potential grantees (cash, in-kind, a mix), appropriate forms, sequencing, and benchmarks for grants' delivery to secure vested interest of grantees, working capital, and the crucial issue of ensuring supply chains of agro-inputs to grantees with no prior business relationship to wholesalers and distributors.

The implementation of grants for women retailers' creation will be overseen by three (to be) sub-awarded NGOs - Ashroy Foundation, Banchte Shekha, and AVAS- which are operational in the Khulna, Jessore, and Barisal regions, respectively. In the last quarter of Year 1, Organizational Capacity Assessments were performed by the Grants Manager and Gender Specialist to identify the three NGOs' present program and financial performance. CNFA's self-assessment form for financial capacity assessment together with USAID-OCA tools for program performance assessment was used. Four tools have begun to be drafted for grant making by AIP: a Grants Manual, Grants Application, Grants Agreement, and Grants Tracker. An international STTA will be proposed to be brought in to appraise and modify these tools, and to build the capacity of AIP staff in their use.

1.1.9 Strengthen Agricultural Input Wholesale Associations

1.1.9.1 Directory of Input Supply Companies and Wholesalers

The development of a Directory of input supply companies and wholesalers commenced in the second quarter of Year 1, with lists of companies and wholesalers obtained from various national associations. The Directory includes contact and ordering information, and available products and services. The efforts continued in the following quarter to identify and document the companies and wholesalers with spheres of influence in the FTF program area.

In addition to companies and wholesalers, a directory of the local GOB-registered retailers in the FTF region across 122 *upazillas* also began,. The second effort, while not strictly in the project description, was deemed useful for strategic reasons: first, to examine where concentrations of retailers fall within the major agro-ecological zones and cropping patterns within the FTF region; second – and because the number of retailers was simply not known at the time of project design – to examine the 'strength in numbers' assumption of 3,000 AIRN members.

Enlisting GOB-registered retailers

A retailers' data collection format template was developed. Initial data collection of retailers in 25 *upazillas* was completed by the M&E and GIS team. This was a

challenging effort, as the information sought was not recorded in any uniform manner across the retailers. Most of the information was kept in hard copy registers, some in electronic form, with inconsistent fields of information mostly in *Bangla* and some in English. Data collected from 25 *upazillas* and subsequent spot checks in shops showed that some registrations were out of date, and some were photocopied across several shops. Across 25 *upazillas* thus far, and not accounting for outdated or duplicated registered retailers, 3,634 registered retailers were counted. Extrapolating this across 122 *upazillas* would hypothetically equate to 17,734 registered retailers in the FTF program area, not including unregistered retailers.

AIP issued a tender in the last quarter of Year 1 to hire a third-party to create the Directory. The task of the third-party to be selected is to enlist not only the wholesalers and companies but also *all* GOB-registered agro-inputs retailers in the FTF zone. At the end of the program year, the responses to the tender are still being evaluated.

1.1.9.2 Capacity Development of BSA, BFA and BCPA

Capacity building of BSA, BFA, and BCPA aims to improve business ethics and member services. AIP initiated dialogues with all three business associations to assess their interest and motivation to engage in AIP's Interventions 3 and 4. At the end of Year 1, a tender was released for assessments of the associations to be contracted to a local third party Organizational Capacity Assessment (OCA) and Organizational Capacity Development (OCD) organization in Quarter 1 of Year 2. The same contracted organization will perform OCA and OCD for Intervention 4. The scope of work of the contracted organization includes the mandate to assess BSA, BFA, and BCPA's business ethics, their quality of member services, and member services they may wish to expand upon. This is because Interventions 4 and 1.1.9.2 are linked in the sense that BSA, BFA, and BCPA will only be able to improve their member services while carrying out OCD within the broader spheres of organizational governance, management, fiscal and financial management, business ethics, etc.

1.2 Trainings/Seminars/National and International Study Tours

Parallel to AIP's original plan to implement retailers' training through AIRN, another channel of training delivery emerged during Year 1- through the agro-input companies with which CNFA signed MOUs (see Section 1.1.2, this report). No action took place for in-country or international study tours for retailers or wholesalers, as planned, due to the need to focus on establishing the AIRN and evaluating member retailers' performance in order to participate in the study tours.

1.2.1 Development of Training Modules

Stock-taking workshops (see Section 1.1.4, this report) revealed that the current business management capacities of existing retailers are mixed. Accordingly, training-of-trainer (TOT) BMT modules were developed, which tailored CNFA's African BMT modules to the Bangladeshi context. This work, in both *Bangla* and English, was facilitated by the Bangladeshi group *Briddhi*.

CropLife Asia's Safe Use training was also appraised for its thoroughness and relevance to Bangladesh. This curriculum will be adapted for both TOT and given to retailers by trained trainers.

Once AIRN is fully functional, the BMT and adapted Safer and Judicious Use of Pesticides modules will be used for AIRN's broader application for retailers who will not be trained by four private companies. Several meetings took places with these four companies to ensure that the companies' Master Trainers adopt the content of their TOTs into modules they will use to train retailers.

1.2.2 Master Trainers' Selection, TOT, and Trainings

A TOT course on Safer and Judicious Use of Pesticides for Syngenta and Bayer CropScience Master Trainers was held in early July at the DAE, organized jointly by DAE's Plant Protection Wing and AIP. The table below illustrates the total numbers of Master Trainers trained by the end of Year 1.

Company	Master Trainers trained (TOT) in Agri-Business Management	Master Trainers trained (TOT) in Safe & Judicious Use of Pesticide	Total number of trainings provided to individuals	Actual number of Master Trainers
Syngenta Bangladesh Limited	6	8	14	11 The total number of participants is 14, of them three participants took part in both the training, as per revised (Sept. 2013) FTF Performance Indicator Reference Sheet (PIRS) participants will be counted once in case they participate in more than one training.
Bayer Crop Science Limited	3	3	6	4 The total number of participants is 6, of them two participants took part in both the training, as per revised (Sept. 2013) FTF Performance Indicator Reference Sheet (PIRS) participants will be counted once in case they participate in more than one training.
Lal Teer Seed Limited	7	7	14	11 The total number of participants is 14, of them three participants took part in both the training, as per revised (Sept. 2013) FTF Performance Indicator Reference Sheet (PIRS) participants will be counted once in case they participate in more than one training.
Global Agrovet Limited	6	6	12	7 The total number of participants is 12, of them five participants took

				part in both the training, as per revised (Sept. 2013) FTF Performance Indicator Reference Sheet (PIRS) participants will be counted once in case they participate in more than one training.
Total across 4 Companies	22	24	46	33

By the end of the Year 1, Syngenta trained eight batches of retailers in BMT, totaling 280 retailers from the FTF program area in the southwest delta.

1.3. Prepare and Distribute Brochures

AIP produced its first brochure in the second quarter of Year 1, primarily to distribute them at an exhibition in Khulna to increase the program’s visibility amongst relevant stakeholders. This brochure was later updated and printed in both *Bangla* and English for distribution to general audiences during meetings and events. The one-pager includes project background with goals and objectives and ongoing activities of the project as well as information about AIRN.

AIP gathered existing technical information brochures produced by the AIS for potential use in retailers’ shops, for both agronomic advice to farmers and agro-inputs’ correct and safer application. This will guide AIP to produce new brochures by filling the gaps of information presently available.

1.3.1 Branding and Marketing Campaign for AIRN

In addition to a one-page overall AIP brochure, in both English and *Bangla*, key AIRN branding and marketing documents were developed, including the following: AIRN membership criteria, *Astha* Seal of Quality criteria, and AIRN and *Astha* membership services (see Section 1.1.4, this report). An AIRN membership application form, AIRN membership certificate, and *Astha* Seal of Quality agreement form have also been drafted. At the end of Year 1, AIP awaits USAID approval of a modified *Astha* logo and a newer AIRN logo.

Information collection on wholesalers and companies of agro-inputs, as well as on retailers in the FTF regions, is underway. This effort will result in the publication through electronic and printed media of an AIRN Retailers Directory.

1.3.2 Public Awareness Campaign for Proper Use of Seed, Fertilizer, and Pesticides

AIP explored appropriate and existing media channels, both print and electronic to reach the public. The team met AIS several times to discuss the opportunity to use their Community Radio program. AIP envisions launching awareness campaigns through print and electronic media in Quarter 1 of Year 2 to coincide with the launching of the demonstration plots.

1.3.3 E-Books’ Improvement

AIP assessed the e-books currently available at AIS. The AIP team visited AIS several times to discuss updating and upgrading their 14 existing e-books (which are

crop-centric), and also to produce new ones on the use and storage of seed, the safe use of pesticides and fertilizer use rates for food crops. An MOU with AIS will be developed in Year 2.

Intervention 2: Market Information System

2.1 Analysis and Distribution of Ag-Inputs Monthly Price Outlook Bulletin

Starting in Quarter 2, AIP began discussions with private input companies, on the potential modalities of the Monthly Price Outlook Bulletin to be developed. The discussions continued in the following quarters with the same stakeholders, as well as with potential AIRN retailers in the stock-taking workshops. AIP realized that price and price trends alone would not be sufficient for input buyers to make informed decisions on what products to buy. Price plus *quality* information may have more value. This, however, will necessitate an AIRN member service (and associated staff) to ascertain which supply chains are of quality.

The decision was made that the Bulletin will include price, price trends and companies' internal self-regulatory quality dimensions of different agro-inputs to make the Bulletin a more effective resource. An AIRN Supply Chain Advisor will be hired in the 2nd quarter of Year 2, who will assess the internal regulatory procedures of the input companies (Syngenta, Bayer, Global Agroveter, Lal Teer) with whom AIP has already signed MOUs. He or she will proceed to develop a list of the top products (anticipated to number approximately 60) in terms of their sales volume in the FTF program area. AIRN Field Officers will collect information on price and trends of these selected products every month through random sampling - by visiting five AIRN member retail shops per *upazilla* per month. This information will be posted in the Monthly Price Outlook Bulletin. The AIRN Supply Chain Advisor will proceed to perform assessments and ratings of the internal (self) regulatory quality procedures of companies whose products are on this list, and who want their companies' quality rating advertised. While this broad mechanism of collecting inputs' price related information and their quality rating is thought of, the actual data collection can only begin once there is a substantial number of AIRN members enrolled. Considering this, the First Monthly Bulletin is expected to come out in the third quarter of Year 2. Meanwhile, the data collection assessment mechanism will be further developed.

2.1.1 GIS Development

AIP's sub-implementer Spatial Systems Associates (SSA) visited Bangladesh in the second quarter and then again in the third quarter to develop the geographic information system (GIS). The visit in the second quarter primarily served to investigate the availability of data suitable for use in the project's GIS system. A web-based GIS was established by SSA, populated with available datasets covering the AIP project area, including satellite and aerial photography imagery, streets, topographic maps, terrain maps, retailer locations (as added), farmer locations (as added), demonstration plot locations (as added), district boundaries, *upazilla* boundaries, population density, and cultivated land.

SSA then developed a database schema to capture the complex relationships throughout the agricultural inputs supply chain, later called AIP Geodatabase

Version 1.0 and presented to AIP and USAID staff. After several working meetings with the M&E advisor and the Chief of Party, SSA finalized the attributes and the indicators for retailers and supply chain modeling which will be added to the Geodatabase. The geodatabase is designed to capture information and attributes about retail shop locations, retail business owners, suppliers, distribution depots, manufacturers, smallholder farmers, demonstration plots, inputs, and points of interest. AIP and SSA staff explored the full scope of the field data collection process and tested the Android Mobile Application for accuracy and user experience improvements.

In the third quarter, AIP put significant effort into obtaining additional existing base map datasets. Following the leads generated from the first STTA assignment in February 2013, AIP and SSA prepared and delivered a prioritized list of datasets to USAID. USAID made a formal request to specific GOB ministries for relevant datasets. Additional leads have been established to research published data from the Bangladesh Bureau of Statistics and several CGIAR institutions working in the country. Of strategic importance to this phase of the project, retailer point data was secured from Bayer Crop Life Science, Syngenta, Global AgroVet, and a sister FTF project, the Accelerating Agriculture Productivity Improvement (AAPPI) project.

AIP also explored the availability of data with other FTF projects. Following an exploratory meeting by AIP in the WorldFish office, WorldFish hosted a workshop with interested FTF programs and projects to explore GIS collaboration opportunities. Several outcomes emerged: First, it became clear that those organizations that have already procured GOB datasets treat them as proprietary and cannot share with others. Second, USAID acknowledged the limitations of USAID-funded programs and projects to exchange datasets, due to the inherent contracting boundaries of each entity. It became clear that AIP's GIS in its present envisioned scope and finances for its development, cannot act as a common resource for all USAID-funded players. At best, USAID can act as a repository of datasets that are in the public domain. It was agreed that all players however should strive to use geographic coordinate systems, and WGS84 as the common datum for future GIS data sharing.

2.2 Agricultural Exhibitions

In the second quarter of Year 1, AIP participated in a fair in Khulna organized by the MOA. As it took place during an early stage of the project, the primary objective was to introduce AIP to stakeholders.

AIP had not planned to organize an agricultural fair in Year 1, but rather in the first quarter of Year 2. Accordingly, it began exploring the presence of appropriate external event organizers. In the third quarter, AIP discussed with a local event management company (E3 Solutions) to develop preliminary ideas towards tendering the organization of the fair.

However, in Quarter 4, taking into account the periodic political unrest, AIP decided to postpone the first fair to February 2014, instead of December 2013 as initially planned, after the parliamentary election takes place. AIP began evaluating the most suitable places to serve as a venue for the Fair in Khulna; these include Zia Hall and Hadis Park. Agricultural Fair participants will include retailers, regional and

national wholesalers, national and multinational input companies. As per the MOUs, three companies agreed to participate in the fairs with cost sharing. AIP will establish a theme for the event, such as “Innovation and Environment-friendly and Safer Use of Agro-inputs”

2.3 Collaborative Demonstration Plots with Other FTF Programs

Demonstration plots activities were delayed until the completion of the Environmental Due Diligence Review (EDDR). As the draft EDDR report had identified the need for a full Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP), AIP deployed an international consultant to conduct a PERSUAP as well- meaning the demonstration plots would have to await the approval of this document as well. Although the last quarter of Year 1 was estimated to be an appropriate time to start the demonstrations, the EDDR and PERSUAP had not been approved by that point in the project. A substantial portion of the products to be demonstrated did not have Active Ingredients on the list of reject pesticides (many products to be demonstrated were vegetable seed, and IPM-related products like pheromone traps and soil amendments), USAID had disallowed AIP to co-finance Demonstration Plots (and associated Field Days) until the PERSUAP is approved. AIP aims to have the PERSUAP approved in time to establish and showcase Demonstration Plots in the late winter season.

2.3.1 Identification of Collaborators and Plots

The four private companies AIP had signed MOUs with - Syngenta, Bayer CropScience, Lal Teer and Global Agrovet- have committed to collaborate with AIP on the demonstration plots, and have each submitted detailed demonstration plans. These four companies will in all establish 225 demonstration plots to show the impact of proper application of quality inputs. However, AIP’s support and co-finance of these demonstration plots will not go forward until the EDDR and PERSUAP are approved by USAID. Demonstration plots in future will also take into account demonstration the efficacy of agro-input products that are desired and promoted by other FTF implementers.

2.3.2 Field Days

Three Field Days per demo plot are planned to be organized during the following stages: i) demonstration setup ii) vegetative stage, and iii) final harvest stage. A total of 675 field days (225 demonstration plots x 3 field days each) would show the impact of quality inputs and proper application to farmers. These will not take place until the EDDR and PERSUAP are approved by USAID.

2.3.3 Demonstrations to Promote High Value Nutritious Crops and Technologies

Throughout the data collection process for AIP’s first Gender Assessment, information was sought to identify the extent to which women are purchasing and utilizing inputs for the production of crops for household consumption. In Year 2, specialized demonstration plots will be established in collaboration with other FTF partners and by establishing linkages with inputs suppliers of quality nutrient-dense vegetables. These demonstrations will promote high-value nutritious crops and technologies.

Intervention 3: Quality Control and Standards and Regulatory Constraints

3.1 Adherence to Industry Standards

The discussion on Industry Standards started in Quarter 2 of Year 1, with a focus on the seeds sector. AIP met IFPRI's BPRSSP project and discussed Bangladesh's existing seed policies. By the end of the third quarter, the GOB's seed standards were collected for 72 crops. These were analyzed along with the Revised Seed Policy of 2005, which includes the GOB Acts and Rules. AIP continued discussions with the Bangladesh Agricultural Development Corporation (BADC), BSA, and the GOB Seed Certification Agency related to present seed quality standards and their relevance in today's circumstances. These discussions took into account existing standards and their enforceability, their internal lapses, the possibilities of upgrading existing standards, and the possible addition of new standards. In discussions between AIP and BADC (the major seed producer in the public sector), it became clear that BADC sees a need to develop new seed standards for crops. A consultant from the Islamic Development Bank through their Enhancing Quality Seed Supply Project contributed to the discussions together with AIP in drafting new seed standards. AIP attended a workshop on seed sector regulatory reforms and expressed AIP's intention to be involved in this issue. The executive body of the Seed Wing of the MOA accepted AIP's inclusion in the formal Committee for addressing new seed standards. The development of seeds standards will continue in project Year 2.

3.2 Certification and Business Ethics

3.2a AIRN Certification

The AIRN membership and *Astha* Seal of Quality criteria have been developed. The logos for both AIRN membership and *Astha* Seal of Quality Certificates are now under the approval stage with USAID.

3.2b AIRN Business Ethics Committee

The new AIRN Coordinator joined in early September 2013, and will begin the process of erecting the AIRN Business Ethics Committee once the field-level AIRN membership drive is well underway.

3.3 Monitoring

Once the AIRN members earn the *Astha* Seal of Quality, it is necessary for a neutral body to monitor whether or not the certified retailers maintain compliance with the criteria to retain the certificate. For annual audits of *Astha* retailers, the Monitoring and Evaluation section of AIP devised an approach in the new Monitoring and Evaluation Plan to engage a third party.

3.4 Coordination on Policy, Legal, and Regulatory Constraints

AIP initiated this activity in the second quarter through discussions with key collaborating partner, BPRSSP. Throughout the program year, AIP continued discussions which resulted in the following: a) AIP and BPRSSP agreed to a meeting with the MOA to explain the joint effort towards addressing policy; and b) AIP and BPRSSP agreed to arrange a similar set of meetings with BSA, BCPA, and BFA to

explain the joint effort - but also in concert with BPRSSP's sub-contractors, CASEED and BIDS, so that they can also collaborate with the private sector. At AIP's initiative a meeting took place in USAID with the respective AORs of AIP and BPRSSP to sanction the cooperation between the two.

The Policy and Enabling Environment Advisor resigned from AIP on September 23, and an extensive search for the replacement is underway.

Intervention 4: Strengthening Local Organizations

This intervention will build the capacities of local organizations to prepare them to be qualified to implement project activities through AIP sub-awards. Over the life of the program, AIP aims to cultivate at least three local organizations to be qualified to compete for USG or other donor funding to implement projects.

4.1 Organizational Capacity Assessment

In the third quarter of Year 1, AIP began seeking third-party organizations in Bangladesh with experience in conducting OCAs. AIP met a number of such organizations which have previously worked with USAID-funded programs and projects, and have experience in both capacity assessment and development of business associations. Because of the large size of these activities, AIP tendered in the last quarter of Year 1 for a third party group to perform both OCA and OCD. Of 23 who picked up the bidding documents, 13 responded with bids, and three were shortlisted. The financial proposal of the top contender is presently being re-negotiated. An important part of the work will be to identify the weaknesses, and further development of, member services of the three business associations (BSA, BCPA, and BFA). AIP plans to start with the BSA.

4.2 Training Design

The successful bidder of the above tender will design Organizational Capacity Development trainings in concert with AIP.

Monitoring and Evaluation (M&E)

In the first quarter of Year 1, the first draft of the Monitoring and Evaluation Plan (M&E Plan) was submitted to USAID. A Results Framework (RF) was also developed and included in the document to guide the entire M&E Plan. The results framework was used in order to identify the recommended performance indicators (PIs) to be tracked throughout the life of the project. In addition, the AIP team worked on the creation of reference sheets, which specify the source, method, tools and frequency of data collection, specific to each of the PIs. AIP continued to incorporate USAID's feedback on the draft document through the end of the quarter.

Following an initial draft of the M&E Plan, AIP continued to improve this document with the help of USAID contractors and USAID personnel. The Results Framework and project indicators were agreed upon by all collaborators at the end of the second quarter, and AIP continued to develop performance indicator reference sheets (PIRS) in association with USAID staff. On June 20, USAID approved AIP's M&E

Plan. At the same time, the AIP M&E Unit initiated the development of tools and data collection protocols for the chosen 13 performance and process indicators.

In the third quarter, the M&E Unit started working on finding appropriate ways of conducting internal data quality assessments, and finalized data collection protocols in the fourth quarter. The data collection protocols include 3 main formats: Formats 1 and 2 will be used to capture data from the direct beneficiaries (AIRN Retailers) by AIRN Field Officers, and Format 3 will capture mainly the lower-level indicators with a few performance indicators. Additionally a set of protocols was developed to record day-to-day transactions of retailers, which are recorded themselves. The M&E unit has worked with the GIS team to avoid duplication in collecting the point data of AIRN member retailers.

M&E tracking took place for the year as per the Lower level Indicator Tracker, Annex 5 in the M&E Plan (Annex 1, this report). The principal AIP Performance Indicators (Annex 2, M&E Plan) are not presented, as relevant data was not picked up during the year because project results did not mature to the level required to formally record and report on them.

Project Management, Mobilization, and Cross-Cutting Themes

1. Logistics

As this was the first year of the project, AIP devoted considerable time and resources to mobilize staff, establish offices, and address logistical issues. By the end of the first quarter, offices were set up in Dhaka and Khulna, the majority of office equipment was procured, and the majority of the local staff were hired. The initial Chief of Party and Senior Capacity Building Specialist were mobilized as well. Significant time and resources were spent in obtaining the approval from the GOB for exclusion from VAT, which made some logistics-related activities difficult to arrange for the expatriate staff.

By the end of the second quarter, the servers and communication equipment were installed in the program offices. The remaining office equipment was purchased, and both offices became fully operational. Financial and logistics systems were put in place, such as operational manuals and local contracts for all staff.

Due to the need to have staff located near the anticipated AIRN retailers, in the third quarter AIP began exploring suitable places to establish an office in Barisal. A generator was installed in the Khulna office to avoid frequent interruptions of the local electric supply. Three motorbikes were procured for the AIRN Field Officers. Prompted by the need for security in case of disrupted mobile and internet communication, AIP explored alternative forms of communication, such as satellite phones and amateur radio (HAM). It was found, however, that the GOB had ceased issuing frequency allocation for satellite phones and amateur radio operators.

By the end of the fourth quarter, AIP established the office in Barisal and made it fully operational. Three additional motorbikes were procured for AIRN Field Officers (FOs). AIP procured seven tablet PCs for multiple uses by AIRN Field Officers,

including capturing and uploading AIRN retailer point data, filling in M&E templates, taking visual images and voice recordings, e-mail, and for office use.

2. Staffing

In Year 1, there were a number of changes in the top management of the project. In the first quarter, all Key Personnel and most of the local staff were brought onto the AIP team. In addition to the substantial amount of hiring that took place during this period, the Chief of Party resigned at the end of the quarter. The Senior Capacity Building Advisor immediately stepped in as Acting Chief of Party, and CNFA deployed Mark Treacy as a consultant to assist in pushing forward many of the pending deliverables that were left unfinished by the departing Chief of Party. A new Chief of Party, Martin West, was immediately recruited and arrived in Dhaka shortly after the commencement of the second quarter in January 2013.

In the second quarter, Scott Arche, Senior Capacity Building Advisor, Key Personnel was replaced by Mark Treacy. Additional local staff were brought onto the AIP team, including the Policy and Enabling Environment Expert, the Senior Training Specialist, the Gender Specialist, the Barisal Input Supply Chain Advisor, the Grants Specialist, two Monitoring and Evaluation Experts and the GIS expert.

Following Mr. West's resignation in May, the Senior Capacity Building Advisor, Mark Treacy, assumed the additional role of Interim Chief of Party with the departure of Martin West on June 1. By the end of the third quarter, the Environmental Specialist was hired, and recruitment efforts for a new Senior Capacity Building Advisor, AIRN Coordinator, and AIRN Field Officers were ongoing. The Policy and Enabling Environment Advisor resigned and an active search for a replacement is underway.

The AIRN coordinator, Md. Moksed Ali, and two Field Officers (FOs) joined the AIP team in the fourth quarter. The Office Manager for Barisal was also hired.

3. Sub-awards

AIP made its first sub-awards early in the third quarter of Year 1 to three women-led NGOs. The purpose of all three sub-awards was to conduct surveys and focus group discussions for the initial gender assessment. Specifically, this included the collection of primary data through 312 questionnaires and by conducting 18 FGDs in six AIP target districts. The NGOs are the following:

- a) **Ashroy Foundation** of Khulna
- b) **Association of Voluntary Actions for Society (AVAS)** of Barisal and
- c) **Banchte Shekha** of Jessore

In response to AIP's request, the three NGOs submitted their proposed budgets to undertake the assignments in the field covering six districts, 12 *upazillas*, 24 unions and 48 villages. AIP formed an evaluation team comprised of relevant project personnel. After evaluation by the team and also CNFA headquarters, agreements were signed between CNFA headquarters and each NGO. The awards continued through the end of the fourth quarter.

4. Communications and Public Relations

Communications Strategy

A Communications Strategy was submitted to USAID in mid-April with the support from CNFA headquarters, USAID, and the AIP Dhaka office. Taking into account feedback from USAID, a second draft was submitted in early May and approved. The purpose of the Strategy is to plan how AIP will communicate with audiences through different channels, and how to effectively communicate the project's purpose, goals and indicators of success to its beneficiaries and to the Bangladeshi general public and media. The Communications Strategy, along with a detailed plan of activities, was included in the Year 2 Implementation Plan.

AIP Website

In the second quarter, AIP developed a call for proposals and the scope of work to create a website. The successful bidder, Aamra (a leading web development agency), was contracted in the third quarter to construct the website. The website includes a project brief, a team directory, resource center, maps, AIRN information, and an "opportunities" section for job openings and requests for proposals. The resource center will provide access to success stories, case studies, and quarterly reports. The website has been developed and has been accessible online since August 2013 (www.aipbd.org). Its content is becoming more populated with news and features. An official website launch is planned for November 2013 by which time it will be populated with enough data to display in the public domain.

Project Brief (One-pager)

An initial program brochure was prepared in the second quarter to be distributed at an agricultural fair arranged by the MOA in Khulna. It was later revised in the following quarters and finalized in the fourth quarter of Year 1. Both *Bangla* and English versions were made available.

Agricultural Fair

Preliminary meetings took place with a commercial event manager to begin designing plans to conduct an Agricultural Fair in February 2014 (see Section 2.2, this report).

Brand and logos

The new AIRN and modified *Astha* logos were developed and await USAID approval.

5. Gender

During the first quarter, the Scope of Work for the first gender assessment, along with an initial desk study of gender issues related to the agricultural inputs sector in Bangladesh, were developed by CNFA headquarters in consultation with field staff and USAID.

The first gender assessment in Year 1 was envisaged to help AIRN establish women-owned input retailers, and address gender-based challenges to increasing women's access to and safe use of quality agricultural input. The assessment was planned to determine the following:

- major limitations and challenges to women farmers to acquire inputs,
- major limitations and challenges to women selling inputs,

- the role AIRN, and AIP, can play in addressing these limitations and challenges,
- recommendations on adjusting modalities of matching grants, and
- a strategic plan with specific actions to integrate findings into the AIP.

The assessment tools were developed in the second quarter by the relevant project personnel and rolled out to field in the third quarter. AIP contracted three women-led NGOs to assist in the field work and data collection. The assessment tools prepared in the second quarter were revised in the third quarter to a) incorporate a modified version of the Women's Empowerment Agriculture Index (WEAI) to make it more replicable in AIP's future follow-up gender assessment; and b) inform AIP's grant making mechanism more thoroughly for guidelines for grants' structuring. A draft report was developed in the third quarter incorporating the results of the household surveys, focus group discussions, key informant interviews, and a case study. Following the inclusion of modified version of WEAI and grants structuring guidelines, the fieldwork continued in the fourth quarter along with re-writing of the draft version prepared in the third quarter for clarity and consistency. A final report is expected in the first quarter of Year 2.

6. Matching Grants

An initial Grants Manual was developed in the first quarter of Year 1, and drafts were submitted to USAID for review and comment. This Manual will ultimately be used to guide the award and management process for matching grants for start-up agricultural input retailers, focusing on women, in target districts of Bangladesh. In the second quarter it was decided that the Grants Manual will be finalized once the Gender Assessment is completed and AIP receives inputs from the three women-led NGOs involved in the Gender Assessment. In the third quarter, the Gender Assessment tools were revised so that the outputs provide meaningful information to guide how matching grants can be made. By end of the fourth quarter, four principle tools were developed: Grants Manual, Grants Application, Grants Agreement, and Grants Tracker. After assessing the three women-led partner NGOs, it is anticipated that AIP's Grants function will need support of an STTA to finalize the four tools and build the capacity of AIP staff.

7. Environment

A Scope of Work for an initial Environmental STTA was developed during the first quarter to complete the following:

- **Environmental Due Diligence Review (EDDR)** (for proposed AIP activities not previously determined by the IEE to cause no environmental effects)
- **Environmental Mitigation and Monitoring Plan**, including planned reporting
- **Environmental Manual** (to guide the implementation of AIP activities and ensure compliance with environmental standards and requirements)

AIP recommended an international consultant to conduct this first environmental STTA, but USAID suggested that AIP propose a local environmental specialist to conduct the assignment instead. Following this recommendation, an extensive search took place throughout the second quarter to find a suitable Bangladeshi national to conduct the assignment. AIP was unsuccessful in finding a qualified individual to complete the consultancy, and then proceeded to seek local firms

instead. Since a suitable local firm could not be found as well, USAID acknowledged the need to bring an international consultant to conduct the assignment.

In the third quarter, an international consultant traveled to Bangladesh to conduct the EDDR. A major outcome of the draft EDDR report was that a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) would be necessary for AIP. While USAID was in concurrence that a PERSUAP would need to be implemented, there were several questions and missing portions pertaining to the EDDR that required additional input from the consultant. Following a series of revisions, USAID and AIP agreed that the remaining questions and gaps would be answered and filled by the forthcoming PERSUAP consultant in the next quarter. AIP developed a scope of work for the PERSUAP consultancy, and shared it with USAID, along with the proposed PERSUAP consultant. USAID's comments and suggestions were incorporated in the SOW. The PERSUAP was conducted in the fourth quarter and a draft report was submitted. He also redressed the remaining issues in the EDDR.

A full-time Environmental Specialist joined AIP in the fourth quarter just before the PERSUAP consultant's arrival in Bangladesh. It was decided with USAID that he will undergo supervision for six months to adjudge his aptitude and performance, during which time he would undergo training and mentoring.

The hiring of three Environmental Interns was determined to be necessary to assist the Environmental Specialist in evaluating the suitability of potential Demonstration Plots. AIP views this as a way to lessen the dearth of professionals in the combined field of Environment and Agriculture under USAID compliance in Bangladesh. A checklist for the evaluation of demo plots was developed on the basis of the draft PERSUAP, which is anticipated to be finalized in the first quarter of Year 2.

Key Issues of Interest

- **Grants**

Matching grants for the establishment of women's retailers will begin once partner NGOs have their capacities developed. During the year, AIP performed assessments of all three potential partner NGOs and found them with varying degrees of readiness against USAID's pre-award criteria. Also during the year, strategic discussions were carried out within the AIP, and with the three partner NGOs towards just how to target would-be female grantees. Accordingly, drafts for the Grants Manual, Grants Application, Grants Agreement, and an internal tool called Grants Tracker have been developed. At year's end, it is adjudged that the project requires expertise to harmonize these four tools to make them consistent and relevant to rural Bangladeshi women, and plans to bring in brief external assistance to finalize these principle tools.

- **Sub-Recipients**

A table of sub-recipients is annexed to this report. AIP began early in Quarter 3 to work with the local women's NGOs Ashroy Foundation, AVAS and *Banchte Shekha*, to assist in the implementation of the surveys and focus group discussions for the initial Gender Assessment, and it is expected that this will begin a collaborative relationship for future work throughout the project for grant making implementation

for establishment of female retailers. This work continued into Q4, and was completed. Spatial Systems Associates has completed its second installment of technical input in Quarter 3, and has continued its work in Quarter 4.

- **Research & Technology**

The key area of interest for the AIP thus far is a creative application of a GIS system that will underpin market information systems. Good progress has been made throughout the year; however, harnessing the GIS to genuine full use is not a given 'blueprint'. It will necessarily involve a creative path to make it useful as a strategic, decision making tool. As more is learned in Year 2, its use – and link to issue Monthly Price Outlook Bulletins – will be both learned and applied.

- **Nutrition Integration**

Activities to integrate nutrient-dense vegetables into demonstration plots, associated with women retailers, will proceed once women retailers have begun to be established in Year 2. AIP has begun collaborative efforts with other FTF actors to gather nutrition messaging, to be used in association with *all* AIRN members, both female and male.

- **Global Climate Change Mitigation**

Some input companies have developed hybrid (non-GMO) rice seed that is saline tolerant, and these varieties will be encouraged to be used in the upcoming Year 2 demonstration plots. Some vegetable hybrids that are already commercially released, e.g. tomatoes that ripen more slowly once harvested, help farmers who have transportation problems due to troubled roads from rain. These will also be sought out for demonstration. AIP will encourage companies with whom it works to develop vegetable varieties that are resilient to climate change effects.

Financial and Expenditure Summary

	<u>Total Budget</u>	<u>Budget FY 1</u>	<u>Expenses Q4</u>	<u>Expense FY 1</u>	<u>Balance End FY 1</u>
1. Direct Labor	\$3,100,466	\$659,068	\$187,618	\$554,231	\$104,837
Expatriate Labor	\$1,173,850	\$322,352	\$29,689	\$201,689	\$120,663
Local Labor	\$1,385,216	\$233,820	\$59,602	\$183,892	\$49,928
HQ Labor	\$378,795	\$68,552	\$14,724	\$47,963	\$20,589
Expatriate STTA	\$162,605	\$34,344	\$83,603	\$120,687	(\$86,343)
2. Fringe Benefits	\$1,176,622	\$242,216	\$52,920	\$148,172	\$94,044
3. Supplies and Equipment	\$961,174	\$282,069	\$45,590	\$164,878	\$117,191
4 Allowances	\$623,018	\$180,926	\$22,733	\$244,962	(\$64,036)
5. Travel and Per Diem	\$776,795	\$162,878	\$32,472	\$123,847	\$39,031
6. Other Direct Costs:	\$2,397,533	\$420,236	\$36,909	\$138,050	\$282,186

Rent and Utilities	\$238,708	\$43,200	\$10,147	\$82,601	(\$39,401)
Activity Costs	\$1,839,400	\$293,480	\$20,758	\$32,875	\$260,605
Communication Costs	\$224,394	\$48,800	\$5,198	\$17,574	\$31,226
Other Costs	\$95,031	\$34,756	\$806	\$4,999	\$29,757

7. Subcontracts/Agreements	\$2,095,277	\$596,416	\$73,999	\$199,766	\$396,650
Spatial Systems	\$615,277	\$317,416	\$73,999	\$199,766	\$117,650
Guarantee Facility	\$250,000	\$50,000			\$50,000
Grants to Agro-input Retailers	\$300,000	\$25,000			\$25,000
G-mark and BASC	\$180,000	\$54,000			\$54,000
Local Organizations	\$750,000	\$150,000			\$150,000
8. Indirect Cost	\$2,897,719	\$624,529	\$115,814	\$427,296	\$197,233
9. Cost Share	\$300,000	\$25,000	\$0	\$0	\$25,000
TOTAL	\$14,028,604	\$3,168,338	\$568,055	\$2,001,203	\$1,167,135

Key Constraints

Hartals: Out of 241 working days in the year, 55 (23%) were marred by general strikes (*hartal*) in and outside of Dhaka. These disrupted travel and work. In Quarter 4 there was a comparative lull in strikes. The project partly mitigates disruption of *hartals*, which mostly are staged during the working week, by sometimes performing field work on weekends. Until general elections are held in Year 2, *hartals* will likely present quite a serious impact to field-based activities, of which many are planned.

Cyclone *Mahasen* in Quarter 3 did not present significant disruption to project activities.

International Travel- Year 1 Summary and Plan for Year 2 Quarter 1

Name	Type of Travel	Purpose of Trip	Approximate Timing	Travel No.
Year 1 (September 2012-September 2013)- Completed				
Eric Sedlacek	HQ	Project Start Up	Sep 24-Oct 14	1
Scott Arche	HQ	Project Start Up	Sep 24-Oct 14	2
Scott Arche	Relocation	Key Personnel Deployment	Oct 31, 2012	3
Mark Treacy	STTA	Year 1 Implementation Plan	Dec 23, 2012- Jan 30, 2013	4
Martin West	Relocation	Key Personnel Deployment	Jan 20, 2013	5
Ashley Sekyra	HQ	Implementation Plan, Gender, M&E, QPR	Jan 27-March 11, 2013	6
Martijn Hekman	STTA Travel	Supply Chain	March 16-April 3, 2013	7
Bruce S. Kernan	STTA Travel	EDDR	April 3-April 14, 2013	8
Mark Treacy	Relocation	Key Personnel Replacement	April 30-May 2, 2013	9

		Deployment		
Russell Williams	STTA Travel	AIRN Features/ Business Plan	July 12- August 3, 2013	10
Alan Schroeder	STTA Travel	PERSUAP	July 13- August 2, 2013	11
Ashley Sekyra	HQ	Year 2 Implementation Plan, Gender	August 25- September 19, 2013	12
Babu Ramasamy	HQ	Operations and Compliance	July 11-July 16, 2013	13
Year 2- Quarter 1 (Planned)				
Russell Williams	Relocation	Key Personnel Replacement Deployment	October 31, 2013	14
TBD	STTA Travel	Grants	TBD	15
STTA Costs				
Travel and Per Diem	LOP Budget	Y1 Budget	Y1 Actual	Total Remaining (LOP)
	\$776,795	\$162,878	\$111,287	\$665,508
Expatriate STTA	LOP Budget	Y1 Budget	Y1 Actual	Total Remaining (LOP)
	\$162,605	\$34,344	\$67,553	\$128,161

Summary of Activities to be Completed in the Next Year

The AIP is poised at the end of Year 1 to make strong gains in Year 2, having been fully set up logistically, with staffing of both AIP and AIRN, Monitoring and Evaluation instruments in place, and environmental procedures nearly finalized. Key activities in Year 2 will include the following:

Intervention 1: Barring disturbances from *hartals*, the project expects to make strong gains in recruiting AIRN members and awarding *Astha* certification to those who undergo the basic trainings. There will be a corresponding growth of geographic coverage of the AIRN as more members join. Once this membership drive is well under way, AIRN's focus will shift to Dhaka to erect its Advisory Board and Business Ethics Committee. The Gender Lens Committee will be made fully functional in Quarter 1. Grants tools will be finalized early in Year 2, and partner NGOs for implementing grant making in the field will have capacities built to satisfy USAID pre-award criteria, and then, pilot grant making will commence. The Directory of Companies and Wholesalers will be finalized. The basic trainings of AIRN members will continue through the instruction provided by Master Trainers. E-books will be improved, and other printed media will be developed and made available to *Astha* Seal of Quality holders. Development of AIRN's business plan will take place as the organization's fiscal and financial flows are understood. AIRN's governing structure will be developed and finalized in concert with its Advisory Board. An important innovation in companies' supply chains' assessment will be made with the placement of a new AIRN staff member- the AIRN Supply Chain Advisor. The purpose of this position is to assess and rate companies' internal quality self-regulatory procedures, and advertise ratings to retailers, wholesalers,

and client farmers towards informed decisions on which companies' products can be trusted.

Intervention II: Demonstrations of quality agro-inputs are planned to commence early in the second quarter after the PERSUAP is approved; demonstrations will be accompanied by Field Days attended by farmers. The first Agricultural Fair is scheduled to take place in Khulna after the Parliamentary elections. The GIS system will be fully developed, and point-data of AIRN members entered as and when they join. The Monthly Price Outlook Bulletin will begin, based on point sample data collection. Print and electronic media will be employed to message safe use of crop protection products, quality seed, and quality fertilizer.

Intervention III: Activities involving working with the GOB for seed standards' improvement will continue in Year 2, while activities for quality and regulatory standards' improvement for CPPs will begin. AIP will continue to collaborate with USAID, through the BPRSSP, to address policy advocacy to improve the business environment towards better quality agro-inputs. The consumer hotline will be developed and made functional, and will provide an important feedback mechanism to identify patterns of "bad" products, to be addressed by the (new) AIRN Supply Chain Advisor. Third party audits of *Astha*-certified retailers will begin a year after each *Astha*-certified member commits to the *Astha* certification criteria.

Intervention IV: The award to conduct organizational capacity assessments and organizational capacity development will be made. The first entity to be assessed will be the Bangladesh Seed Association, followed by the Bangladesh Crop Protection Association and the Bangladesh Fertilizer Association. AVAS, one potential partner NGO, will also be assessed and developed.

The environmental mitigation plan – in both the EDDR and the PERSUAP- will be implemented. This will entail training of AIP staff, AIRN staff, and awarded partners who have a bearing on the environment. Mitigation through training, and messaging, will be considerable.

Finally, a project modification may be considered as and when enough compelling structural changes are identified and agreed upon by both CNFA and USAID.

Annex 1: Lower-level Indicator Tracker

Intervention 1: Establish Agro Input Retail Network

Activity Code	Activity	LOP Target	Y1 Target	Y1 (actual)	Y 2 Target	Projected Target		
						Y3	Y4	Y5
1.1	Establish the Agro Input Retail Network							
	Improved capacity of leading input industry associations (BSA, BFA, BCPA, and AIRN) (# org)	4	1	0	2	2	0	0
	Develop new member services (# services)	12	2	0	5	5	2	0
	Develop new strategic partnerships with multi-national companies (# companies)	12	2	4	2	3	3	0
	Conduct policy dialogue events by assisted associations with government officials (# policy dialogues)	32	4	0	8	8	8	8
	Provide matching grants (\$1,000) to women retailers (# women retailers)	300	20	0	50	180	70	0
1.2	Trainings/seminars/national and international study tours							
	Conduct AIRN business and technical training sessions (# session)	160	24	8	105	47	0	0
	AIRN Retailers attend business and technical training (# retailer)	3,000	432	288	2,000	712	0	0
	Conduct regional and local study tours (5 regional + 5 local) (# of tour)	10	0N/A	0	3	3	3	1
	Retailers and other stakeholders participate in the study tours (at least 20% are women) (# participants)	125	N/A	0	35	42	40	8
	New business models introduced and adopted by input retailers (# module)	8	N/A	0	2	2	2	2
	New business models introduced and adopted by input wholesalers(# module)	3	N/A	0	0	0	2	1

	Provide TOT on Business Management Training to master trainers (Male 5, Female 2) (# person)	7	7	22	7	0	0	0
	Conduct training of trainer sessions for commercial trainers (# person)	20	5	24	7	0	0	0
	Commercial trainers conduct training to AIRN, BSA, BFA, BCPA members (# participants)	3,015	515	288	2,000	730	0	0
	Conduct CropLife Asia designed 'safe use' training to AIRN retailers(# participant)	3,000	N/A	288	2,000	712	0	0
	Conduct village sessions on garnering support from families and neighbour's for women retailers (# session)	300	20	0	50	180	70	0
1.3	Prepare and Distribute Brochures							
	Enhancement of existing best practice materials and develop guides for key crops (# crop)	14	2	2	4	4	4	0
	Distribute print materials on key crops (# copy)	10,000	1,450	0	2,500	3,000	3,000	1,500
	Develop new educational publications (# publication)	23	3	0	6	6	6	5
	Develop new materials by the private sector companies (# material)	9	N/A	0	2	3	2	2
	Create AIRN logo	1	1	1	1	0	0	0
	Develop project brochure	1	1	1	0	0	0	0

Intervention 2: Market Information Systems

Activity Code	Activity	LOP Target	Y1 Target	Y1 (actual)	Y 2 Target	Projected Target		
						Y3	Y4	Y5
2.1	Analysis and Distribution of Ag-Inputs Monthly Price Outlook							
	Publish Ag-Input Monthly Price Outlooks (# Outlook)	48	N/A	0	12	12	12	12

	Distribute print version through retailers and advisory centres across (# copy)	200,000	N/A	0	50,000	50,000	50,000	50,000
	Utilize GPS to plot retailers assigning unique identification number (#retailer)	3,000	500	0	600	1,800	600	0
	Develop a directory of retailers (#retailer)	3,000	500	0	600	1,800	600	0
2.2	Agricultural Exhibitions							
	Facilitate annual exhibitions (# exhibition)	5	N/A	0	2	1	1	1
	National companies participating in the exhibition (# company)	80	N/A	0	20	20	20	20
	Multinational input supply companies participate in the exhibition (# company)	20	N/A	0	5	5	5	5
	Exhibition of new products (# product)	100	N/A	0	25	25	25	25
2.2	Collaborative Demonstration Plots with other FTF Programs							
	Organize demonstration plots (# demonstration plot)	500	65	0	300	150	50	0
	Farmers participate in the demonstration plots (# of farmer)	50,000	5,000	0	30,000	15,000	5,000	0
	Test and adopt new input products (# of product)	30	3	0	15	10	5	0
	Results of demonstration trials' results disseminated through radio and other media outlets (# event)	15	2	0	5	5	5	0

Intervention 3: Quality Control and Standards and Regulatory Constraints

Activity Code	Activity	LOP Target	Y1 Target	Y1 (actual)	Y 2 Target	Projected Target		
						Y3	Y4	Y5
3.1	Adherence to Industry Standards							

	Develop, adopt, and monitor new input quality standards (# standard)	6	1	0	2	2	1	1
3.2	Certification and Business Ethics							
	Create quality standards and business ethics monitoring committee (# committee)	1	N/A	0	1	0	0	0
	Certification of retailers (# retailer)	3,000	N/A	0	600	1,800	600	0
	Smallholders served by certified retailers (# smallholder)	1,000,000	N/A	0	100,000	500,000	100,000	300,000
3.3	Monitoring							
	Input companies participate in the Business ethics committee (# company)	3	N/A	0	3	0	0	0
	Conduct audit annually by independent auditors on business ethics (# audits)	4	N/A	0	0	1	1	1
	Retailers audited renewing certification each year (80% of the retailers) (# retailer)	2,400	N/A	0	0	480	1,440	480
3.4	Coordination on Policy, Legal, and Regulatory Constraints							
	Identify Policy Constraints and Present to the policy dialogue group (# policy constraints)	8	0	0	4	4	0	0
	Conduct Gender Assessment and Follow-up Assessment (# assessment)	2	1	1	0	0	1	0
	Form Program Advisory Committee consisting of public and private stakeholders (# committee)	1	N/A	0	1	0	0	0
	Organize Semi-Annual Meetings of AIP Advisory Committee (# Meeting)	8	N/A	0	2	2	2	2

Intervention 4: Strengthening Local Organizations

Activity	Activity	LOP	Y1	Y1	Y2	Projected Target
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code		Target	Target	(actual)	Target	Y3	Y4	Y5
4	Strengthening Local Organizations							
	Provide Sub-Awards to Local Implementing Partners (# award)	30	N/A	0	10	15	5	0
	Develop Specific Technical Assistance Package for All Local Organizations (# package)	1	1	0	1	0	0	0
	Value of Sub-Awards Provided to Local Implementing Partners	\$750,000	0	0		TBD		
	Local organizations and businesses developed to deliver improved input service provision (# organization)	20	N/A					
	Provide TA to Develop Pre-Award Survey by Local Accounting Firm (# tech. assistance)	1	N/A	0	1	0	0	0
	Local Organizations Qualify to Implement USG-Funded Programming (# organization)	3	N/A		0	0	2	1

Annex 2: Sub-Grants

Sub-awards were made for three women's NGOs to help collect data for the initial Gender Assessment. The NGOs included the Ashroy Foundation, AVAS, and *Banchte Shekha*. The working relationship with Spatial Systems Associations continued through Quarter 4. Below is a table containing the name and contact information for each sub-awardee.

Sub-awardee	Contact details
1. Ashroy Foundation (AF) of Khulna	Momotaz Khatun Executive Director Ashroy Foundation 16 Ahsan Ahmed Road Khulna-9100, Bangladesh. Tel: +880 41 812113 Cell: +880 1711 004579 E-mail-ashroy.foundation@gmail.com
2. Association of Voluntary Actions for Society (AVAS) of Barisal	Rahima Sultana Kazal Executive Director Alekanda Road, Barisal Bangladesh Tel-0431-2173131 Mobile: 0 1711 884551 E-mail-rskazal@yahoo.com
3. Bachte Shekha (BS) of Jessore	Angela Gomes Executive Director Banchte Shekha Shaheed Mashiur Rahman Road, Arabpur, Jessore-7400, Bangladesh Tel-0421-66436,68885 Mobile:01713400388 E-mail-angelagomes52@yahoo.com info@banchteshekha.org
4. Spatial Systems Associates	Larry Newman Spatial Systems Assoc., Inc. 6345 Woodside Court Columbia, MD 21046 Suite 201 T: 410-423-1870 F: 410-423-1871 E-mail- info@spatialsys.com

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