

Project Brief

Name

SKS Social Business Project

Description

This project will focus on employment and income Generation (EIG) through contract farming by sheep rearing from specialized breeding farms.

Ownership and Management

Grameen Telecom Trust (GTT) may participate in the SKS Social Business Project in the capacity of providing equity, loans and/or working capital. The project will have SKS Foundation (a renowned NGO and MFI of Gaibandha district) as the knowledge and implementation partner. SKS specializes in working with the ultra poor. It received the award for 'Best Micro Finance Institution' in 2009 from the Citi Foundation and as the 'Best Partner Organization' in 2005 from PKSF. The partner will bear all operational (training and other overhead) costs of the project. SKS Foundation has previously piloted similar projects. The Chief Executive of the foundation Mr. Rasel Ahmed Liton may act as the Chief Operating Officer of the project.

Location and Socio Economic Scenario

The project will be run in the northern district of Gaibandha. It will have beneficiaries from 3 unions (Shaghata, Muktinagor and Bharatkhal) under Shaghata Upazila. These areas are marked by:

- Extreme poverty
- River erosion
- Absence of adequate provisions for education and healthcare

Methodology

- The local community usually rears cows, goats, sheep etc. following the traditional concept of sharing the cost and output
- The sheep that will be provided for rearing will be of improved breed (as endorsed by livestock authorities)
- In this project 1500 sheep will be transferred to 300 households for rearing from SKS Foundation breeding center and other sources (if required)
- Sheep will be provided to women who are already members for micro credit programs of SKS Foundation and have received training on sheep rearing
- 4-female and 1-male sheep will be provided to each of the selected households for rearing. The project partner will help set up the basic infrastructure (Bamboo MACHA) for rearing and provide ancillary services such as:
 - The activities for de-worming, vaccination and animal health services

- Development of market linkage. Existing market linkage lies with local butchers, traders, government programs, and other buyers. Efforts will be made to provide the beneficiaries the opportunity to get the best price for their sheep.
- Figures:
 - 8400 kids of sheep will be generated by project period of 4-years
 - 28 sheep kids will be generated in each households in 4-years
 - Each beneficiary household will earn at least BDT 14,000 within the project period by selling 14 sheep kids. This income may rise to as high as BDT 20,000 in four years depending on the rearing.
- The key earning of the project will be through the sharing and sales of the expected kids of the sheep born after rearing.
- In future, the byproducts (wool) of the sheep may be used

Impact

- There will be a wealth creation of the beneficiaries through the stock of sheep kinds and household income will rise by BDT 3500 to BDT 5000 every year by selling sheep kids
- The improved breed of the sheep will be conserved
- Self employment is created and this may lead to scopes of creation of breeding centers
- Local market system in relation to sheep rearing will be developed and supply chain of protein demand will be enhanced
- Local rural people will be able to afford the lamb/mutton, as the price will be comparatively less
- Value chain of lamb/mutton will be developed

Investment and Pay Back

GTT will have to invest an amount of approximately BDT 3 million (for purchasing 1500 sheep). The investment has been planned to be recouped over a period of 4 years.

Focus Items

- Direct impact on employment generation and increase in household incomes
- Development of a new industry
- Experience of project partner in the locality

Way Forward

Once investment is recouped, project will be converted to a Social Business Company. MoU at the start of the project will have provisions accordingly. While forming the company GTT will decide on the means of investment and project partner will also be given the same choice.

Contingency Plan

There will be an agreement with winding up clause, which will state that with prior notice, GTT can withdraw its investment and declare the project 'closed' without legal hurdles.