

Concept Note:

SME Development Program

Organization:

Kachua Dalima Association (KDA)

Title:

Strengthening SMEs for Inclusive Economic Growth and Sustainable Livelihoods

Target Areas:

Coastal and semi-urban regions of Bangladesh (e.g., Patuakhali, Bagerhat, Cox's Bazar, Bhola, Borguna, Khulna, Jamalpur, Rajshahi, Satkhira)

Target Groups:

Youth, women, climate-affected communities, and marginalized entrepreneurs.

1. Background and Rationale

Small and Medium Enterprises (SMEs) are the backbone of Bangladesh's economy, contributing significantly to employment generation, poverty reduction, and local economic growth. However, SME clusters, especially in rural and coastal regions, face various challenges, including limited access to finance, poor market linkage, lack of digital and technical skills, and absence of sustainable business models.

In line with its mission to promote inclusive socio-economic development, Kachua Dalima Association (KDA) aims to support the growth and resilience of SMEs, particularly those led by women and climate-affected communities. This program aligns with national SME policies, SDG 8 (Decent Work and Economic Growth), and KDA's vision of fostering community-based enterprise development.

2. Objectives

General Objective:

To enhance the capacity, resilience, and competitiveness of SMEs to create sustainable livelihoods and contribute to inclusive local economies.

Specific Objectives:

- Build entrepreneurship and business management skills among potential and existing SME operators.
- Facilitate access to finance, digital tools, and appropriate technologies.
- Promote eco-friendly and climate-smart business practices.
- Create market linkages between SMEs, value chains, and urban consumers.
- Advocate for pro-SME policies and public-private collaboration.

3. Target Beneficiaries

- Micro and small entrepreneurs (existing and aspiring)
- Women-led and youth-led enterprises
- Climate-affected business owners and returnee migrants
- Home-based workers, cottage industry producers
- Local business associations and cooperatives

4. Proposed Activities

Capacity Building:

- Training on business planning, accounting, inventory, and customer management
- Digital literacy and e-commerce training
- Mentoring and business incubation support

Access to Finance:

- Linkages with microfinance institutions and SME banks
- Introduction of community savings and loan groups
- Financial literacy and credit-readiness workshops

Technology and Innovation:

- Demonstration of low-cost, climate-resilient technologies
- Training on product quality control, packaging, and labeling
- Promotion of circular economy and recycling-based enterprise models

Market Linkage & Promotion:

- Local and national trade fairs
- Online platform and marketplace development
- Partnership with private sector buyers and aggregators

Capital Grant:

- Provide startup grants to women and youth-led SMEs
- Support procurement of essential business equipment
- Facilitate establishment of small-scale production or service units

Policy Advocacy:

- Engagement with local chambers, municipalities, and government SME desks
- Evidence-based advocacy on SME-friendly infrastructure, subsidies, and gender-responsive policies

5. Expected Results

- At least 500 SMEs (60% women-led) enhanced in capacity, productivity, and sustainability
- Increased access to finance for at least 200 marginalized entrepreneurs
- Creation of 100+ new local jobs in targeted communities
- Integration of climate-smart practices in at least 70 SMEs
- Establishment of local SME clusters with collective bargaining and networking power

6. Sustainability Measures

- Formation of local SME cooperatives and associations
- Regular mentoring and peer-learning networks
- Digital platforms for knowledge sharing and market access
- Collaboration with local government for long-term support and policy integration

7. Partnerships

KDA will collaborate with:

- Government: SME Foundation, BSCIC, Department of Women Affairs
- Financial Institutions: PKSF, BRAC Bank, IDLC
- Private Sector: Retailers, exporters, online platforms
- Development Partners: UNDP, ILO, Swisscontact, GIZ

8. Estimated Budget

Budget Component	Amount (BDT)
Training and Capacity Building	3,000,000
Access to Finance Facilitation	1,500,000
Technology Support & Tools	2,000,000
Market Access & Promotion	1,200,000
Capital Grant Support	2,000,000
Monitoring & Evaluation	500,000
Admin & Coordination	800,000
Total	11,000,000

9. Conclusion

This SME Development Program by Kachua Dalima Association seeks to unlock the potential of small-scale entrepreneurs in underserved communities, ensuring inclusive, sustainable, and climate-resilient economic development. It will not only uplift individuals and families but also strengthen the local economy, creating a ripple effect of prosperity and social stability.