



Government of the people's Republic of Bangladesh
Local Government Engineering Department

COMPONENT COMPLETION REPORT MICROFINANCE



May 2014

SUNAMGONJ COMMUNITY BASED RESOURCE MANAGEMENT PROJECT (SCBRMP)
IFAD LOAN No: BD 567

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Abbreviation and Glossary

BKB	Bangladesh Krish Bank
BARI	Bangladesh Agricultural Research Institute
Beel	Water body
BRRI	Bangladesh Rice Research Institute
SCBRMP	Sunamganj Community Based Resource Management Project
CDF	Community Development Facilitator
CO	Credit Organization/Community Organization
CrO	Credit Officer
CrC	Credit Clerk
DAE	Department of Agriculture Extension
DLS	Department of Livestock Service
DOF	Department of Fisheries
DCC	District Coordination Committee
DHS	Demographic and Health Survey
GOB	Government of Bangladesh
Haor	Water body (bowl shaped)
HH	Household
IFAD	International Fund for Agricultural Development
IMC	Infrastructure Management Committee
IGA	Income Generating Activity
IOD	Installment Over Due
MOD	Matured Over Due
IMED	Implementation, Monitoring and Evaluation Department
LCS	Labour Contracting Society
LGED	Local Government Engineering Department
MPAT	Multidimensional Poverty Assessment Tools
MOL	Ministry of Land
MVC	Multi-purpose Village Centre
MTR	Mid-term Review
MFI	Micro Finance Institute
PIC	Project Implementation Committee
PRA	Participatory Rural Appraisal
RIMS	Results and Impact Management System
PMU	Project Management Unit
SUPM	Senior Upazila Project Manager
SMS	Subject Matter Specialist
SO	Social Organizer
SLA	Subsidiary Loan Agreement
SAB	Semi Autonomous Body
UCC	Union Coordination Committee
UNO	Upazial Nirbahi Officer
WFC	World Fish Center

Executive Summary

The main objective of the report is to evaluate SCBRMP credit operation and its effects on poverty alleviation in the project area. In these regard both primary and secondary data were used in the report. The primary data were collected from the monitoring & study reports of PMU, SCBRMP and Bnagladesh Krishi Bank Branches, Sunamganj and in relevant field. On the other hand few data were collected from Organization (CO) level.

The SCBRMP project covers the period june'03 to June'14 and reflects the achievement of the five components in the project area. The project is being acted through a financial support to it beneficiaries for the betterment. After getting skills and technologies microcredit initiates to generate income of the CO members. The main findings of the report are as follows:

- i. SCBRMP formed 2995 COs(2145 female) consists of 90000 targeted beneficiaries out of which 61543 female. 97% COs independently managed by CO Managers and about 100% COs' Manager were capable to keep books & records of the CO.
- ii. The cumulative disbursement of loan within the project period is BDT 35,43,36,000/-. COs generate the capital savings of amounting BDT 12,23,43,000/- for their own.
- iii. The loan was utilized in major four sectors: Agriculture, Livestock, Fisheries, Food-processing, Fisheries and other small trade and business. The sector wise loan utilization positions were 27%, 15%, 3%, 11% and 43% accordingly.
- iv. Ultimately all loans both Saving and credit line have been repaid fully by the member/CO during graduation. Out of 2995 COs 2985 COs has been declared graduate, 10 COs dropped out during project period.
- v. In the impact of microcredit it was seen that monthly savings have been increased by 100% members saved at least Tk. 40/- per month, literacy rate increased about 6 to 8%.
- vi. It is observed that the CO members households' income have raised and it is 67% growth of income recorded from the base year. In the base year total earning from farming was TK. 15520 while It has been increased to TK. 25219 in 2009. Second highest contribution is petty trading/business, total amount in this sector increased by 55%. On the other hand from the fish related activities it has been increase about 114% from the base year, in base year it was TK. 3669 and it stands to TK. 9130 in 2009.
- vii. Three different types of training conducted by the SCBRMP project like individual skill development, management capacity and human development. The project increased 45% skill development training and increased 23% CO management and human development by 2009. The training program made the members skilled and linked them with different service provider.
- viii. Female CO members are found to get involved more in self-employment in the various kinds of income generating activities than non-program participants do.

- ix. Women are gaining greater say in income and expenditure decisions to the extent of 25% to 30% of households. With the accumulated savings project women generate their own capital Tk. 450.07 lack which is 63% of the total capital formation. They utilize the credit even more than male. But they have to bear the risk of non-payment due to failure of their husbands or other relations who may have been helping the loan proceeds.
- x. Innovation of the project are- 1) Internal Audit of the CO: The internal audit is one of the most vital administrative instruments to the project. It had been regularly being carried out on yearly/half yearly basis. Meanwhile 10 internal audits had been undertaken. The findings of the report gave guidance to the project as well as CO to bring accountability and transparency in CO management. Internal audit was carried out by a team comprising CDF, SO and other staffs from SCBRMP. President and Managers of COs were also present with them to assist the audit work. COs books and records were checked and information recorded in prescribed working papers. For verification, information was compared with bank statement where applicable. All COs of the project were brought under audit.

2) Autonomous micro credit monitoring system (SHE software):
For setting up a MIS to track the microcredit performance of COs with a computerized data monitoring system primarily at Upazila level and centrally at PMU. Software named SHE was replaced the labor-intensive microcredit monitoring system and took place for overall monitoring of the project microfinance operation. Making liability free microcredit within the project period and declaring CO graduated- an unique exit strategy of the project.
- xi. Sustainability refers to the capacity of the CO to operate independently out of its own revenue generation in a cost-effective manner. Operational and financial self-sustainability of a CO is a combined function of its outreach, cost of fund, and cost of operation, fund availability, credit recovery, interest and service charges realized. The bottom line is efficiency and profitability. A recognized profitable organization can continue independent operation and quality to raise funds from the market. With the decline in donor fund from Tk. 52.00 core to Tk 10.00 core sustainability of CO is in question to emerging as a profitable organization. Though some COs are found profitable, there is a skepticism that MFIs including Grameen Bank are not yet fully sustainable particularly if grand and subsidized funds are properly accounted for.
- xii. Despite the above achievements of microcredit, some of the important issues are outlined below:
 - Absence of long-term vision among the implementing agency/Department/donor for establishing a Sustainable Organization or making a Semi Autonomous Body (SAB) regarding economic viability, lack of focus on graduating beneficiaries. On the other hand long term planning made difficult through changing the views/objectives or the prescription of donor practice (like: CO graduation as an exit strategy, dropping SAB) of the project.
 - All project activities are done by the project staff and COs are continuing their organizational activities but Bank has only the authority to approve and disburse loan

to CO. Since the bank staff plays a very little role of their responsibility for providing supports towards COs, it would be difficult to run the CO with the bank after completion of the project.

- Institutional culture was not geared up to the mark in CO for achieving institutional viability at group level.
- The member of COs did not have proper perception of utilizing savings or had not enough planning to generate group fund adequately to minimize their credit need of individuals.
- There was no legal status of operation of the Micro-credit in the SCBRMP project without Bangladesh Krishi Bank. The ownership structure or getting registration from legal authority of the COs was not decided, i.e. who owns the COs after completion of the project was not determined.

xiii. Since the SCBRMP program was targeted with the Millennium Development Goals to reduce the poverty of the Sunamganj area, it should be required to consider the following recommendations for the micro credit program (if any) in Sunamganj:

- a) Long term strategic plan with sustainable linkage of the grass root organization to the service provider organizations of the Government. Bangladesh Krishi Bank should also play the role of Credit Provider as a government part but it needs to modify as a user friendly financial institution with skill, trustworthy and sufficient staff, if not project could link with MFIs or establish the SAB.
- b) Project should take the consideration of member graduation with sustainable income generating activities from which poor member can earn enough to maintain their own family expenditure and create a household based employment.
- c) Graduation process of the organization (CO) should not be enough if after graduation the CO could not able to create a linkage with financial institute to meet their requirement of finance for taking initiative of income generating activities.
- d) Individual organization i.e. CO needs to be registered or affiliated from the designated government department.
- e) Skill development training for beneficiaries needs to channel up with the technical support provider agencies of the government even after the project period.

Introduction

Considering the poverty line Sunamganj is one of the poorest area in Bangladesh. Government of Bangladesh has taken a poverty alleviation program named Sunamganj Community Based Resource Management Project (SCBRMP) in Sunamganj district. Sunamganj Community Based Resource Management Project of Local Government Engineering Department of Local Government Division was a poverty alleviation development project linked with millennium development goal assisted by International Fund for Agriculture Development (IFAD) under a loan No: 567 BD. The ultimate goal of the project was to reduce poverty of the rural poor in the haor area of Sunamganj. The project was for 12 years started in January 2003 and will be end in June 2014 in three phases. The project has passed the phases and will be closed on 2014. The project area was covered by nine Upzilas of Sunamganj district: Sunamganj Sadar, South Sunamganj, Bishwamberpur, Jamalganj, Thaherpur, Derai, Sullah, Dharmapasha and Dowarabazar Upazilas.

Since the project was working in a particular poorest area with specific target of poverty alleviation, examining the problems, solutions and achievements of the Micro Credit program of SCBRMP, recommendations help to conclude how Micro Credit could be demonstrated to improve the poorest situation towards poverty alleviation i.e. impact of micro credit on poverty alleviation.

Context of the component/activity

On the basis of the Lessons emerged from SAPAP, implemented at Kishoreganj Sadar Thana, demand of micro finance was highlighted to address employment generation, empowerment of women, leadership development, group dynamics, etc. The community based organizational approach of Village Organization (VO) and the Credit Organization (CO) were the main community managed grass roots level organizations which were engaged in assisting the poor people of the rural communities. Since the Sunamganj was the most deprived area of Bangladesh with limited financials supporting agencies and same geographical area as Kishoreganj, IFAD opened the door of Micro Credit through Bangladesh Krishi Bank in Sunamganj Community Based Resource Management Project.

The main objectives of the component are to increase the assets and income of 135000 (revised to 90000) households by developing self-managed grass roots organization to improve beneficiary access to primary resources, employment, self employment and credit.

The credit would be provided to the beneficiaries to develop income generating activities. In the first project document there was a provision of Semi Autonomous Body (SAB) to address the sustainability of the grass root level organization. As provision, the credit would be retailed by COs at village level and COs deal directly with bank to meet their incremental capital/fund needs. Each CO consists of 15 to 30 target group members defined as those with holding below 2.5 acres of land. The record of the CO would be maintained by the CO Manager, the accounts of the CO would be audited by internal audit every year and the auditors would be recruited and trained by the project. In addition of those, risk will be minimized by observing regular monitoring of meeting, savings, rotation of leadership, performance of the leader and corrective measures taken by the CO to overcome the auditors' recommendations on recurrent problems.

The main disciplines of the CO are regular meeting and savings mobilization to form the capital of their own. No loan would be provided unless the member is regular in meeting and saved with the CO for six months. Need would be assessed and granted loan from their own capital on priority basis in the meeting. The sole criteria for lending would be the experience in the activity, members' ability to repay the loan and needs of the borrower, etc. At the initial stage, the CO would provide loan from their own sources. Addition credit facility would be extended by the project from Credit Line Loan through Bangladesh Krishi Bank if and only if the CO have the experience to manage the credit operation, able to maintain record keeping properly and maintain high rate of recovery which loan disbursed from savings fund.

Loan would be provided for activities including fish leases, nurseries, seasonal inputs for crop production, cattle rearing or fattening, duck and poultry rearing, fish farming, small trade and business and marketing. Loans would be two types: short term and Medium term. There would be provision that the borrowers would have borrowed at least two seasonal loans before becoming eligible for the Credit Line Loan. Technical support would be provided to beneficiaries through trained activist, trained beneficiaries or supported by the project Subject Mater Specialist and the staff of Line Ministries.

Members would be allowed to borrow not more than 10 times higher of member's own savings. CO members will be responsible to repay the loan jointly and no additional collateral will be required. The maximum short term loan will be Tk 14000 and for medium term Tk 25000. Total loan amount from all sources would not exceed 10 times of savings. Loans would be sanctioned and disbursed in the name of the CO not individual. The interest rate of the loan would be 10% per annum to CO from bank and CO would charge 15% flat per year from the individual for short and medium term loans.

Service charge/interest rate on the loan from CO Savings will be determined by the CO members but would be positive and would cover all operating cost. In case delay in repayment of loan by the member-loanee, minimum 2% penal interest will be charged against the installment. The penal interest amount so collected will be deposited in the CO account, it is kept to bear the risk coverage of the loan. The service charge/Interest rate of 15% per annum earned from the members will be distributed in the following manner:

Receivers of interest earnings	Interest Rate 15%	Distribution in 100
Credit Organization Savings Fund	7.95	53
President	1.95	13
Manager	3.15	21
Project	1.95	13
Total	15	100

Co will extent credit fund to the members at a rate to be determined by the members but would not bellow 15%(flat) interest per annum. Interest rate on the credit to the members will be same for both short and medium term. In case of delay in repayment of loan by any of the members, the CO will charge penal interest against the installment loan. Amount so collected from the members will be credited to the reserve fund for bad debt account. Of the 15% service charge/interest rate earned

from the member-loanees, the CO will pay 10% interest to the bank for the loan fund borrowed by CO under credit line. The 10% interest will be distributed in the following manner:

Receivers of interest earnings	Interest Rate 10%	Distribution in 100
GOB fund	1.50	15
Bank Overhead cost	2.00	20
Project Account	6.50	65
Total	10.00	100

The remaining 5% interest earned by CO from Project Credit Line Loan will be distributed in the following manner:

Receivers of interest earnings	Interest Rate 5%	Distribution in 100
Credit Organization Savings Fund	2.00	40
President	0.75	15
Manager	1.25	25
Reserve for bad debt account	1.00	20
Total	5.00	100

The base cost of the micro finance component, net of loan repayments and inclusive the cost of training the COs and auditors estimated at Tk 546 million, of which training cost amount to Tk 9.2 million. The costs calculated based on assumption.

The process of graduation has been introduced instead of establishing SAB by the Mid-term Review (MTR) and later project Supervision Missions (SMs) from IFAD gave the final shape and CO graduation incorporated with project's exit-strategy. Two processes were defined for graduation: One, to allow the CO to continue their activities as they have been doing, but without the project support; other was to close the CO clearing all financial liabilities, and leave it with them whether they will continue the CO or not. If they like to continue their activities, in that case, it will be a fresh start (new committee, new books of accounts and so on), and no project support will be provided.

In absence of the concept of SAB, it was decided that after phasing out the project the CO will be kept linked with BKB or MFIs. But the continuity of the linkage with BKB in absence of project was found not feasible considering some limitations like: staff shortage, inadequate service delivery, internal record keeping and accounts, etc. On the other hand, relationship with MFIs could not be developed even after several efforts. Eventually, graduation process stands of declaring CO self-reliant withdrawing project support s and allowing the COs to govern their activities by them own.

Every year a tentative list will be prepared for graduating COs those are functional and that will be confirmed in the annual project planning workshop of concern year. Before graduation it should be ensured that all activities such as training, sinking tube well, distributing latrines, providing fund for demonstration those were planned for the community people have been completed satisfactorily. A set of comprehensive indicators have been set to judge the standard of CO primarily selected for graduation. It will mainly assess the governance, managerial and financial management capacity of COs. Ultimately Critical Indicators will be used for screening COs for graduation. For screening CO

under Critical Indicators is very straight forward. It mainly focuses on financial performance of CO and it is built-in in project's regular CO monitoring system.

Table: Rating for categorizing CO for graduation assessed under Critical Indicators:

Category	Indicators
Ready for graduation	<ol style="list-style-type: none"> 1. Savings and Credit line (BKB) cumulative loan recovery rate 98 to 100% 2. Cash in hand below BDT 1200. 3. Attendance rate above 75%.
Good and may go for graduation with some support	<ol style="list-style-type: none"> 1. Savings and Credit line (BKB) cumulative loan recovery rate 80 to 97% 2. Cash in hand below BDT 15000. 3. Attendance rate below 50 to 75%.
Need to revived/reorganized/closed	<ol style="list-style-type: none"> 1. Savings and Credit line (BKB) cumulative loan recovery rate below 80%. 2. Cash in hand above BDT 15000. 3. Attendance rate below 50%.

The graduation process will go through few steps depending on categories of COs. CO performed good can go for graduation completing fewer steps than those are not performing well. The following table shows the steps and major activities in graduation of different categories of COs:

Steps	Ready for graduation	Support required to be graduated	Need to be revived
Step 1	Final accounts	Support provided	Reorganized
Step 2	Declared Graduation	Final accounts	Support provided
Step 3		Declared Graduation	Final accounts
Step 4			Declared Graduation

After completing final accounts a plan will be prepared to distribute CO fund to members except keeping a minimum balance in bank account. The group leaders in the presence of project staff will distribute the dues either cash or cheques to members. The group who are keen to continue their activities will start afresh opening new books of accounts along with other formalities maintained for a savings group management. After declared graduation a final list will be prepared of graduated COs. The list will give some basic information of COs finally graduated including the support/benefit they have so far received from the project and the date of their graduation.

Objective of the component and key element

The objective of this component is to deliver credit services to the members of the CO. Two categories of credit would be available to meet the demand of loan of the CO members. One own generated fund will be utilized from their savings and other fund from the project credit line through BKB against 10% security deposit. CO Manager and President would be trained by the project to preserve the books and accounts. Regular internal audit would be conducted to ensure accountability and transparency of the overall management of the CO. The loan would be granted for all purposes with priorities on increasing primary production, access to resources and investing to practice of new technologies for increased income and food security. Training on different Income

Generating Activity (IGA) would be given to the CO members by concern Subject Mater Specialists and other training staff with the support of Department of Agriculture Extension (DAE), Department of Livestock Service (DLS) and Department of Fisheries (DOF).

The performance of the component

Micro finance component has played the basic role to mobilize the targeted community and facilitate the process of their capacity building. The concept of mobilization of credit Organization (CO) lies in the idea of SHG. After revision the project has taken a target of forming 3000 COs comprising 90000 households and that has almost been completed by reaching 2995 COs with 86737 members. Year wise coverage of CO formation and Credit activities of SCBRMP are shown in the following three tables:

Table -1: Year wise coverage and CO formation

Year	Upazila (nos.)	Union (nos.)	Village (nos.)	CO formation (nos.)	Cumulative members enrollment (nos.)
2003-04	3	9	38	80	1975
2004-05	4	20	179	329	8922
2005-06	6	32	381	706	19679
2006-07	6	36	546	1166	33240
2007-08	9	53	742	1807	51719
2008-09	9	57	959	2465	69897
2009-10	9	62	1087	2968	85051
2010-11	9	62	1090	2995	86737

Table -1 shows the coverage of the project activities which started with 1975 members in three Upazilas of 9 Unions at 38 villages. Now, the project extends the activities with 86737 members in 9 Upazils.

Disbursement of Micro Credit:

Considering the exit strategy decision of IFAD, Savings Fund Loan disbursement was in increasing trend but the Credit Line Fund Loan disbursement had been reduced and it followed by nil when the project will be ended. For that maximum member had no loan for their activities though they have the ongoing IGAs in a small range as a post credit situation.

Table -2: Year wise savings fund loan and credit loan disbursement position

Year	Savings Fund Loan		Credit Line Fund Loan	
	Loan disbursed (Tk)	Nos. of borrower	Loan disbursed(TK)	Nos. of borrower
2003-04	97300	47	50500	16
2004-05	2504700	471	6539300	1812
2005-06	5466900	1788	18728500	4090
2006-07	12710200	4140	61544000	10544
2007-08	30370600	6843	96180000	13363
2008-09	31126000	5761	40097000	5429
2009-10	26292300	5360	4303000	377
2010-11	18316000	3371	10000	2
Total	126884000	27781	227452300	35633

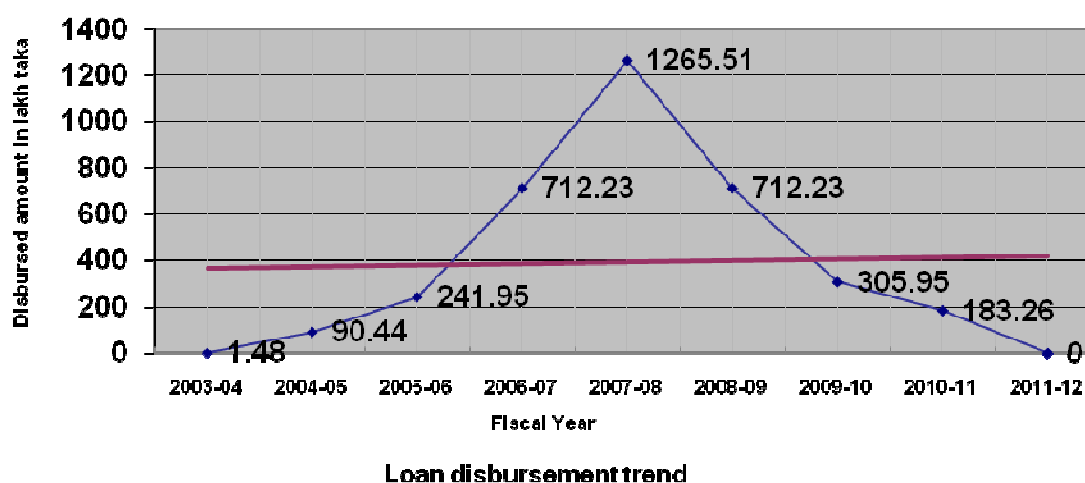


Table-2 and the trend line indicate the increasing trend up to a certain level of ended 2007-08 but after getting decision of reducing the loan utilization from the project fund it is decreased. Though in the starting year loan disbursement was at minimum but after that it increased by 2.68, 2.94, 1.78 times with the preceding year. And during the graduation period it is decreased with maintaining about the same ratio. It was happened due to the recommendation of reducing credit line loan and in 2011-12 no loan was disbursed from the project.

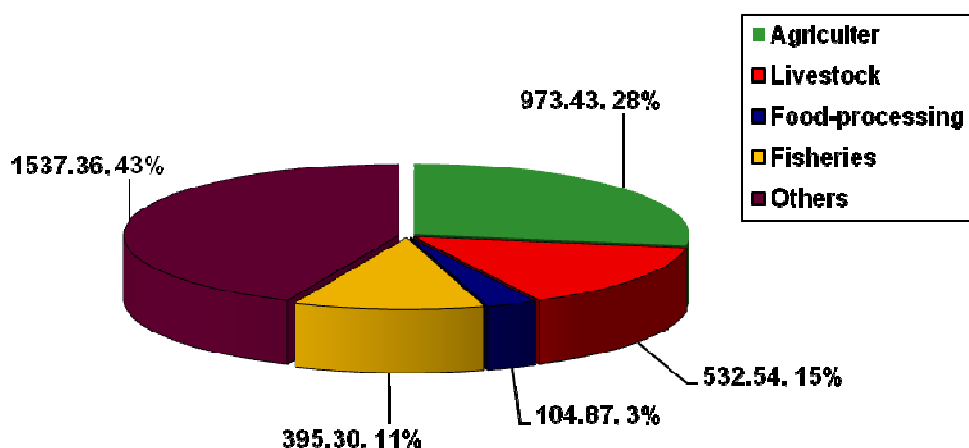
Considering the terms and conditions of loans, COs was eligible to receive credit from the Credit Line. As per CO audit report, 2008, out of 1804 COs 88% have to maintain the record keeping properly, 84% conducting meeting with above 90% attendance of the member. They obey the terms and condition of the loan maintaining the repayment rate 99%.

Utilization of Micro Credit:

CO loans were being provided to the qualified members' borrowers for undertaking investment activities. The major loan utilization sectors were i) Seasonal Agriculture: i.e. crop production, vegetable production, production of oil seeds and pulses, small scale nursery development etc.; ii) Livestock: i.e. cattle fattening, mini dairy/poultry/ducky, small scale goatery, rearing of milking cow etc.; iii) Food Processing: Chanachur & Nimki making, pickle making, vermicelli making, Chira-Muri making, small trade of foods product, etc.; iv) Fisheries: pond and beel fishery, fish hatchery, leasing of beels and water bodies, fish processing and gear/neat making, etc.; and v) Others: small trade, rickshaw and van pulling, cottage, boat pulling and other local income generating activities. The sector wise utilization of micro credit of the SCBRMP was as follows:

Table-3: Sector wise loan utilization

Sectors	Physical(Nos.)			Financial (Lakh Taka)		
	Man	Woman	Total	Man	Woman	Total
Agriculture	4491	8968	13459	241.07	732.36	973.43
Livestock	3379	10046	13425	230.67	301.87	532.54
Food-processing	601	1281	1882	33.57	71.3	104.87
Fisheries	3406	7257	10663	191.26	204.04	395.3
Others	7417	15810	23228	416.83	1120.39	1537.22
Total	19294	43363	62657	1113.4	2429.96	3543.36



Sector wise loan utilization

Table- 3 and the diagram shows the sector wise loan utilization in the agriculture, livestock, food-processing, fisheries and others small trade or activities. The proportion of loan utilization is highest 43% in the others sectors, i.e. in the daily income generating activities. The 2nd highest is agriculture 28%, in the livestock 15%, in fisheries activities 11% and in food processing it is 3%, which indicates the investment in the seasonal or periodical income. In table-4 overall performance of CO, Savings and microcredit shows the total reflection of the component.

Table 4: Over all Microfinance performance of COs:

Sl.#	Items	Indicators	Unit	Project target	Project total as of 30 June 2013	
					Achieved	%
1	Community Organizations (COs) formed and members enrolled	CO	Nos.	3000	2995	100
		male CO	Nos.	1200	850	71
		Female CO	Nos.	1800	2145	119
		Members	Nos.	90000	86737	96
		Male enrolled	Nos.	36000	25194	70
		Female enrolled	Nos.	54000	61543	114
2	Savings mobilized by CO members	Total members	Nos.	90000	86737	96
		Male	Nos.	36000	25194	70
		Female	Nos.	54000	61543	114
		Total savings	00000 BDT	1213.81	1223.43	101
		Savings by male	00000 BDT	485.52	361.30	74
		Savings by female	00000 BDT	728.29	862.13	118
3	Loans provided to CO members from CO Savings Funds	Total amount in LTk.	00000 BDT	1268.27	1268.84	100
		Amount to male in LTk.	00000 BDT	379.09	379.66	100
		Amount to female in LTk.	00000 BDT	889.18	889.18	100
		Total members	Nos.	15000	20506	137
		Male	Nos.	7000	5654	81
		Female	Nos.	8000	14852	186
		Recovery	%	100	100	100
4	COs provided credit from Project Credit Line	Total amount in LTk.	00000 BDT	2270.66	2274.52	100
		Amount to male in LTk.	00000 BDT	732.24	733.74	100
		Amount to female in LTk.	00000 BDT	1538.42	1540.78	100

Sl.#	Items	Indicators	Unit	Project target	Project total as of 30 June 2013	
					Achieved	%
	through BKB	Total members	Nos.	23960	23960	100
		Male	Nos.	8118	8118	100
		Female	Nos.	15842	15842	100
		Recovery	%	100	100	100
5	CO accounts audited	CO Audit	Nos.	3000	2995	100
		Final accounts	Nos.	2995	2995	100
6	CO graduation	Total	Nos.	2985	2985	100
		Male	Nos.	843	843	100
		Female	Nos.	2142	2142	100
7	CO dropped out	Total	Nos		10	

Effectiveness

Ten internal audit has been conducted in the project period and findings of the report gave the reflection on the target member selection, group formation, record keeping by the CO Manager, capital formation by their own savings, savings loan performance, Project Credit Line loan performance.

2995 COs has been formed properly of which 2145 COs are female and 850 are male. Total members of the COs are 86737 where 25194 are female. The target group has been properly selected and project has the base line survey and individual data sheet. Individual member information preserve in a developed software named SHE Software. Out of the total member 89% members holding less than 2.5 acres of land and full fill other criteria of the target group; 10% members were in the level of extreme poor/land less according to the national criteria and rest 1% had a little bit scope of livelihood or having land more than 2.5 acres. Category wise HHs/beneficiaries status is shown in table-5.

Table 5: Beneficiaries (HHs) Status (generated by SHE software, CBRMP)

Sl #	Description/ Category	Land Status (Acre)					Of which Female (# & %)
		Land less	0.001-1.00	1-2.5	>2.5	Total	
1	CO Member HHs (Direct Beneficiaries)	12015	69741	4764	217	86737	61543, 70.9%
2	Indirect Beneficiaries HHs	1899	29969	19472	1265	52605	17882, 34%
Total no of Households		13914	99710	24236	1482	139342	79425, 57%

After project intervention reflection rose in a multidimensional ways, like leadership and managerial skill developed from 66 % to 100% among the leaders. Total 105 (Female 54) numbers of local government representatives were elected in Union Parishad and Upazila Parishad election of 2011. Members were used to save for forming their own capital. The following table shows some performance in these regards.

Table 6: Leadership development and group management quality

Source & FY	Group independently managed by CO President (%)	Books & accounts independently kept by CO Manager (%)	Member saved regularly (%)
Internal CO Audit Report - 2004	78	85	100
Internal CO Audit Report - 2005	66	72	100
Internal CO Audit Report - 2006	84	87	100
Internal CO Audit Report - 2007	77	84	100
Internal CO Audit Report - 2008	81	84	96
Internal CO Audit Report - 2009	74	88	94
Internal CO Audit Report - 2010	94	95	89
Internal CO Audit Report - 2011	97	100	88

According to the audit report 66% to 97% CO President were capable to manage activities independently and leadership was rotated following their organizational bi-laws. Record keeping was another important task of the CO. 72% to 100% CO Manager were capable to maintain books of records. CO Presidents and Managers had been received training for three days and learned on leadership development, accounts & book keeping from the project.

Credit Organizations invested their own savings in income generating activities as per their bi-laws and repay regularly. In the same way they used the project fund through Credit Line. Total members' savings was 122.34 million BDT and utilized it as loan amounting 126.88 million BDT. On the other hand CO utilized the bank credit line loan amounting 227.07 million BDT. The performance of the loan activities is satisfactory. The following table-7 shows year wise performance of the loan activities.

Table 7: Savings loan and Bank Credit Line loan performance

FY Year	Savings Loan		Project Credit Line Loan	
	Disbursement against target (%)	Repayment rate (%)	Disbursement against target (%)	Repayment rate (%)
2013-14		100		100
2012-13		99		97
2011-12		99		96
2010-11	92	97	99	95
2009-10	89	94	71	91
2008-09	91	89	81	97
2007-08	88	97	81	97
2006-07	122	97	93	97
2005-06	152	98	112	99

CO Graduation performance

The project started graduation program in 2009 with a plan to phase-out all COs gradually. A set of procedure developed and further revised to make it effective. The staff involved in graduation has further been refreshed through learning and knowledge shearing. The project set the following plan to graduate all COs by December 2013.

Table 8: Graduation plan:

Sl. #	Upazila	Total CO formation	CO dropped out (nos)	Graduation Plan							Total CO
				2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total	
1	Sunamganj Sadar	425	0	21	308	96	0	0	0	425	425
2	South Sunamganj	376	3	29	260	84	0	0	0	373	376
3	Bishwambarpur	422	0	18	277	127	0	0	0	422	422
4	Jamalganj	385	0	0	50	240	95	0	0	385	385
5	Taherpur	332	0	0	26	161	92	53	0	332	332
6	Dera	295	0	0	0	50	162	83	0	295	295
7	Dawarabazar	274	1	0	0	20	138	115	0	273	274
8	Sulla	221	1	0	0	30	123	67	0	220	221
9	Dharmapasha	265	0	0	0	20	138	107	0	265	265
	Total	2995	5	68	921	828	748	425	0	2990	2995

As the graduation is reaching closer to complete, the graduation is getting stiff for willful defaulters. However, with peer group pressure and taking the assistance from local administration and representatives, project is finding alternatives to make the graduation done in time. The following table -9 shows the graduation progress with some information of the COs.

Table 9: CO graduation status with some basic information (Source: CO graduation report, CBRMP)

Sl #	Parameters	Unit	As of June'13									
			S.ganj Sadar Total 425 COs	South S.ganj Total 373 COs	B.pur Total 422 COs	J.ganj Total 385 COs	T.pur Total 332 COs	Derai Total 295 COs	D.bazar Total 273 COs	Sulla Total 215 COs	D.pasha Total 265 COs	Project Total 2985 COs
A	General Information											
5	Gender	M/F	F=247	F=215	F=304	F=297	F=270	F=221	F=206	F=134	F=248	F=2142
7	Number of member enrolled	Number	12111	10827	12703	11324	9746	8154	8034	6204	7634	86737
8	Number of existing member	Number	9776	8977	8557	7593	8320	7189	7209	5605	7007	70233
B	Members' Savings Status											
1	Savings accumulated	Tk	17623440	12897070	19340070	16426740	13865260	10431400	14191030	4851845	12738395	122365250
2	Savings withdrawn for drop-out CO member	Tk	3260480	1658370	6750330	5799000	2139250	1144930	1716620	392520	720720	23582220
3	Net balance of savings (4+5+6+K.4)	Tk	14554108	11597942	11031294	10428877	11804986	7613392	12543571	4159633	12127012	95860815
4	Savings balance in bank	Tk	13249911	11289667	11026539	10428877	11718465	7613392	12543571	4159633	12127012	94157067
5	10% Security from Savings	Tk	0	0	0	0	0	0	0	0	0	0
6	Cash in hand	Tk	508908	195295	457	0	27843	0	0	0	0	732503
C	Income of the CO:											
1	10 % on project loan interest	Tk	5683922	4197330	4647253	3567111	1519545	851739	44112	0	0	20511012
2	2% on project loan Interest for CO	Tk	1269310	1087274	1006062	1169727	354974	239132	30661	0	0	5157140
3	For BDRF 1% on project loan interest		644120	477050	442160	438680	158590	105270	8650	0	0	2274520
4	On Savings loan Interest (7.95% + 2%+1.95%)	Tk	1274186	1285920	1897119	1668474	1452486	1051890	1283228	482592	1065208	11461103
5	Demo fund & interest earned on Demo loan	Tk	3463978	2627168	4160875	2517672	2176671	1835894	2176760	1119951	2151665	22230634
6	Manager honorarium (1.25%+3.15%)	Tk	1220612	1076741	1088934	1258009	682721	483693	426638	155472	332012	6724832
7	President honorarium (0.75%+1.95%)	Tk	742099	658587	651778	764905	418652	297554	264704	96030	205944	4100253

Sl #	Parameters	Unit	As of June'13									
			S.ganj Sadar Total 425 COs	South S.ganj Total 373 COs	B.pur Total 422 COs	J.ganj Total 385 COs	T.pur Total 332 COs	Derai Total 295 COs	D.bazar Total 273 COs	Sulla Total 215 COs	D.pasha Total 265 COs	Project Total 2985 COs
8	Others earning (Bank Int. and leftover from different sources, i.e TW, LT etc.)	Tk	1737908	717591	3500706	1347847	870650	744976	1136798	174630	2064130	12295236
9	Total Income(1 to 8)	Tk	15447970	11619352	17239594	12448460	7653718	5324795	5383256	2028675	5818959	82964779
D	Expenditure:											
1	10 % project loan interest	Tk	5683922	4197330	4647253	3567111	1519545	851739	44112	0	0	20511012
2	BDRF 1% on project loan interest	Tk	644120	477050	442160	438680	158590	105270	8650	0	0	2274520
3	Manager honorarium (1.25%+3.15%)	Tk	1220350	1074388	1088934	1258009	682721	483693	426638	154441	332012	6721186
4	President honorarium (0.75%+1.95%)	Tk	750374	657132	651778	764905	418652	297554	264704	96811	205944	4107854
5	Others		470575	319430	2040596	50796	411236	342686	476788	175465	393868	4681440
6	Total Expenditure(1 to 5)	Tk	8016830	6234476	8715428	5795536	3210173	1795589	1232597	426717	931824	36359170
E	Net Income(C.9-D.6)	Tk	7406990	5384876	8524166	6652924	4443545	3529206	4150659	1601958	4887135	46581459
F	Distributable amount (Savings & Net income)	Tk	21951878	16982818	19557580	17081801	16248531	11142598	16694230	5761591	17014147	142435174
G	Liabilities to member(adjusted)	Tk	1708815	1079673	1389367	0	261933	0	0	0	0	4439788
H	Distributed amount	Tk	19928514	15780416	17740784	16896643	15858093	11036610	16456157	5642789	16885865	136225871
I	Average distributed amount	Tk	9486	7722	7593	20516	1906	1535	2283	1007	2410	1940
J	Rest amount in Bank	Tk	314549	122729	427429	185158	138605	105988	238073	118802	128362	1779695
	Loans and other supports											
K	Loan from Savings											
1	Loan disbursed-cumulative	Tk	15500400	13326800	22157900	18042900	14936000	13401700	14170000	4578300	10770000	126884000
2	Number of loanee	Number	2001	1856	2748	1982	2941	2006	3057	1563	2352	20506
3	Realized	Tk	15500400	13326800	22157900	18042900	14936000	13401700	14170000	4578300	10770000	126884000
4	Outstanding	Tk	0	0	0	0	0	0	0	0	0	0
5	IOD principal	Tk	0	0	0	0	0	0	0	0	0	0
6	IOD Interest	Tk	0	0	0	0	0	0	0	0	0	0
7	MOD principal	Tk	0	0	0	0	0	0	0	0	0	0
8	MOD Interest	Tk	0	0	0	0	0	0	0	0	0	0

SI #	Parameters	Unit	As of June'13									
			S.ganj Sadar Total 425 COs	South S.ganj Total 373 COs	B.pur Total 422 COs	J.ganj Total 385 COs	T.pur Total 332 COs	Derai Total 295 COs	D.bazar Total 273 COs	Sulla Total 215 COs	D.pasha Total 265 COs	Project Total 2985 COs
9	Number of default loanees (IOD+MOD)	Number	0	0	0	0	0	0	0	0	0	0
L	Loan from project											
1	Loan disbursed -cumulative	Tk	64412400	47704900	44216000	43868000	15859000	10527000	865000	0	0	227452300
2	Number of loanee	Number	6142	4660	4566	4411	2627	1378	176	0	0	23960
3	Realized and paid to Bank	Tk	64412400	47704900	44216000	43868000	15859000	10527000	865000	0	0	227452300
4	Outstanding	Tk	0	0	0	0	0	0	0	0	0	0
5	IOD principal	Tk	0	0	0	0	0	0	0	0	0	0
6	IOD interest	Tk	0	0	0	0	0	0	0	0	0	0
7	MOD principal	Tk	0	0	0	0	0	0	0	0	0	0
8	MOD interest	Tk	0	0	0	0	0	0	0	0	0	0
M	Others											
1	Tube-well fund received & used	Tk	7684128	7336696	7895448	6793658	5411760	3781423	3053504	2806000	4780000	49542617
2	Latrine received	Tk	5484526	4881500	5369500	5007600	4494200	3127713	3479500	2411000	3286500	37542039
		Number	25641	9926	11030	10105	9112	6291	21960	4810	6600	105475
3	Capacity building Training received	Number	2075	1143	1929	874	1650	478	1199	529	929	10806

Defaulted loan and bad debt adjustment

As per project provision priority has been given to identify the cause of loan defaulting and then categories the loan as follows:

1. Death of loanee member and there was no scope of repayment of the his/her family members,
2. Long time sickness and physically disable,
3. Loss of IGA due to natural disaster,
4. Migrated/untraceable,

First of all project only considered the death case and the loan amount of those adjusted from the accumulated fund of bad debt reserve(risk fund) and total amount was 24,63,476 BDT. Finally after getting the recommendation of IFAD mission about the rest identified bad debt loan, project took decision to utilize a part of the accumulated interest for SAB (6.5%) and adjusted amounting 82,54,098 BDT. Ultimately loan loss against the disbursed loan stands on 4.7%.

Microfinance monitoring system of the project

Microfinance monitoring system of the project was quiet structured and organized. Reporting system and frequency given in the following table.

Table 10: Microfinance M&E System of SCBRMP

Sl #	Description	Frequency	Use/ purpose for monitoring	Responsibility	Location
Micro Finance Component					
1	Weekly CO Activities Report	Weekly	Collection	SUPM, SO	U/Z Office
2	Introductory CO Update Report	Monthly	Collection	SUPM, SO	U/Z Office
3	Loan Monitoring Sheet	Monthly	Collection	SO	U/Z Office
4	Monthly CO Activity Report	Monthly	Collection	SUPM, SO	U/Z Office
5	Monthly Microfinance Report	Monthly	Summary Analysis	CrO	U/Z Office
6	Monthly Compiled Microfinance Report	Monthly	Project Compilation	CM	PMU
7	CO Benefit Monitoring	Monthly	Collection	SO	U/Z Office
8	Quarterly Compiled Microfinance Report	Quarterly	Project Compilation	CM	PMU
9	Internal Audit	Half-Yearly	Data collection and Comments	Auditor	PMU/ U/Z Office
10	Graduation Statistical Profile	Quarterly	Summary Analysis	CrO	UZ Office/PMU
List of Others Report, Survey & Study					
1	SHE Software Based Monitoring (Developed during 2009-10)	Regularly	MF status monitoring	SUMP, CM, SSO	UZ, PMU
2	Union Wise Workshop of SCBRMP for CO Performance Review	Quarterly/ Yearly	Data collection and Comments	SUPM, SSO	PMU
3	MPAT Survey with Control (2012-13)		Impact survey	CM, MES	PMU/ IFAD
4	Baseline of Result and Impact Management survey (RIMS) -2006		Baseline		Mitra and Associates
5	RIMS Follow-up Survey- 2010		Mid term impact		Mitra and Associates
6	Livelihood Impact Study (1 st round 2008 for CO, 2 nd -2010 & 3 rd round- 2012 for BUG)		Impact		WFC
7	KAP Survey (Account & Bookkeeping Tr. For CO Leaders) - 2008		Impact		PMU
8	PRA Survey Conduct (Before Formation of COs)	Regularly			U/Z, PMU
9	Quarterly M&E Workshop	Quarterly			PMU
10	Yearly Progress Review & Planning Workshop	Yearly			PMU
12	Project Completion Report				Under process

Efficiency

The cost of the micro finance component was the net of loan fund was BDT 90356000 and the cost of training the COs was BDT 16906000 and auditors cost at BDT 8477000. Total cost was BDT 10052300. BDT 90356000 was

repaid fully with net interest. Actually training cost of the component is the actual cost of microfinance component. Efficiency of the microfinance component was measured by IFAD mission upon some set criteria and it was stand on an average 5.

MF ranking by IFAD Mission:

Mission Year	Rating	Level
SUPERVISION MISSION: 24 September –12 October 2013	5	<i>satisfactory</i>
SUPERVISION MISSION: 6-18 OCTOBER 2012	5	<i>Satisfactory</i>

Poverty Impact

Impact of microfinance mainly shows the income level and creation of employment opportunity of the beneficiaries. On the other hand poverty is a multidimensional issue and it covers the all HHs and members' features. When income of a family rose it touches all events of the HHs which reflects the actual impact. During SCBRMP implementation period many studies took place to evaluate the impact scenario of the beneficiaries of the project area. Summaries of the major reports are given below:

1. Summary of the IMED report

An inter-ministerial team comprised 5 members from LGD, IMED, LGED with the leadership of Chief of IMED visited the project activities. They observed the micro finance activities taken by the project at that time. Team discussed with the beneficiaries, villagers, local leaders and government officials and visited activities of the beneficiaries as well as COs and mentioned the following comments in their report about the microfinance activity of the project:

Up to May, 2011 the performance of the project's implementation is satisfactory. By this time project achieved 81% of its' physical progress with the financial achievement of 79% (clause no 12.1).

Reviewing the implemented or on-going activities and its strategic implementation plan for the future it is implicit that all activities have been being implemented properly to achieve targeted the project's objectives and if it continues with the same manner its' goal/objective would be able to achieve as it should be (clause no 12.2).

Credit Organizations have been formed with the representative of the targeted HHs under micro finance component of the project and after receiving training they are motivated to deposit savings and micro credit activities, capital being formed to become self-reliant. Due to investment of this capital as a loan in income generating activities among the members, the loanees are being benefited in one side and on the other side, by getting service charge organization or all members are getting the opportunity to generate more capital. Besides these, by getting a portion of service charge from the bank credit line loan they also benefited. In-addition of all of these, at the time of withdrawing project supports, i.e. after providing all services and or infrastructural supports from project, project is playing a great role by ensuring that the individual members get back their own savings along with the share of the profit in a transparent manner. As a result it builds massive trust among them to work with government project. (clause 12.5).

Due to the impact of the project activities, a remarkable positive change took place in the livelihood of beneficiaries of the area. Specially, remarkable number of women became empowered and acceptance improved in the family and society due to increase of their income (clause 12.6).

আইএমইডি'র প্রধানের নেতৃত্বে স্থানীয় সরকার বিভাগ, আইএমইডি ও এলজিইডি'র সমন্বয়ে ৫ সদস্য বিশিষ্ট একটি আন্দোলনমূলক কমিটির সদস্যবৃন্দ কর্তৃক সরেজমিন প্রকল্প এলাকা পরিদর্শন, সুবিধাভোগীদের সঙ্গে মতবিনিময় পূর্বক নিম্নরূপ মতামত পেশ করা হয়ঃ

১. মে ২০১১ইং মাস পর্যন্ত প্রকল্পের সার্বিক বাস্তবায়ন অগ্রগতি সন্তোষজনক। এ সময়ের মধ্যে প্রকল্পের ক্রমপুঞ্জিত ভৌত অর্জন ৮১% এবং আর্থিক অর্জন ৭৯%। (মতামত নং- ১২.১।)
২. প্রকল্পের অধীনে বাস্তবায়িত/বাস্তবায়নাত্মক কার্যক্রম এবং ভবিষ্যৎ পরিকল্পনা পর্যালোচনা করে প্রতীয়মান হয় যে, এ পর্যন্ত বাস্তবায়িত কার্যক্রম প্রকল্পের উদ্দেশ্য অর্জনের জন্য সঠিকভাবে পরিচালিত হয়েছে এবং এ হারে প্রকল্প বাস্তবায়িত হলে এর উদ্দেশ্য যথাযথভাবে অর্জন সম্ভব হবে। (মতামত নং- ১২.২।)
৩. প্রকল্পের ক্ষুদ্রঋণ কার্যক্রমের আওতায় লক্ষ্যভুক্ত পরিবারের প্রতিনিধি সমন্বয়ে ঋণসংগঠন গঠন ও প্রশিক্ষণ প্রদানপূর্বক তাদেরকে সঞ্চয় জমাকরন ও ক্ষুদ্রঋণ কার্যক্রমের সঙ্গে সম্পৃক্ত করার ফলে তাদের স্থায়ী হবার লক্ষ্যে পুঁজি সৃষ্টি হচ্ছে এবং এ পুঁজি উৎপাদনমুখী কর্মকাণ্ডে সদস্যদের মধ্যে ঋণ হিসাবে ব্যবহারের ফলে একদিকে যেমন ব্যবহারকারী সদস্য লাভবান হচ্ছে, অন্যদিকে তেমনি সার্ভিস চার্জ প্রাপ্তির মাধ্যমে সংগঠন বা সকল সদস্য পুঁজি বৃদ্ধিতে লাভবান হচ্ছে। তাছাড়া, প্রকল্পের খাত হতে পরিচালিত ক্ষুদ্রঋণের মাধ্যমে প্রাপ্ত সার্ভিস চার্জের একটা অংশ সংগঠন বা সদস্যগণকে প্রদান করা হচ্ছে বিধায় এ ক্ষেত্রেও তারা লাভবান হচ্ছে। এতদ্ব্যতীত, প্রকল্প কর্তৃক নির্ধারিত সেবা/অবকাঠামো প্রদান সম্পন্ন হবার পর সংগঠন হতে প্রকল্পের সহায়তা প্রত্যাহারের সময় সদস্যদের সকল পাওনা স্বচ্ছভাবে বুঝিয়ে দিয়ে প্রকল্প এক মহান দায়িত্ব পালন করছে। এতে করে সরকারী প্রকল্পের আওতায় কাজ করার ব্যাপারে তাদের মধ্যে ব্যাপক আস্থা সৃষ্টি হয়েছে। (মতামত নং- ১২.৫।)
৪. প্রকল্প কর্তৃক গৃহীত কর্মকাণ্ডের প্রভাবে এলাকায় সুফলভোগী জনগোষ্ঠীর জীবনমানে প্রভূত ইতিবাচক পরিবর্তন সাধিত হয়েছে। বিশেষ করে উল্লেখযোগ্য সংখ্যক মহিলা ক্ষমতায়িত হয়েছে এবং তাদের আয় বৃদ্ধির ফলে পরিবার ও সমাজে তাদের গ্রহণযোগ্যতা বৃদ্ধি পেয়েছে। (মতামত নং- ১২.৬।)

2. Summary of base line RIMS report- conducted by Mitra and Associates

This report presents the baseline information of the Results and Impact Management System (RIMS) survey 2006 for the “Sunamgonj Community Based Resource Management Project (SCBRMP)”. The project was launched as a pilot project in January 2003 by the Local Government Engineering Department (LGED) of the Ministry of LGRD&C of the Government of Bangladesh with the financial assistance of the International Federation for Agricultural Development (IFAD). The primary objective of the SCBRMP is to improve the quality of life of the rural poor by improving their access to primary resources, livelihood opportunities and credit facility. The survey was conducted following the methodology and tools of Results and Impact Management Systems (RIMS) developed by IFAD to facilitate reporting on the achievement of program results and Impact. Mitra and Associates – a Bangladeshi survey and research firm – implemented the survey. The survey considered a random sample of 1200 households selected systematically from 60 clusters (SCBRMP beneficiary groups).

The age distribution of the population indicates a very young age structure with large proportion of population in the younger age groups (43%), which is an indication of high fertility in the area. The average household size is 6.1 persons in the area, which is higher than the national estimates of 5 persons per household. About 52 percent of men and 46 percent of women of age 14-24 years can read letters and newspapers indicating moderate literacy skill of the people in the area. Access to safe drinking water is almost universal in the project area as 95 percent of the sample households have access to water sources, mostly tube-wells, that are traditionally considered as a safe water source. However, access to sanitation appears to be inadequate in the area as more than seventy percent (72 percent) of the sampled households did not have adequate sanitation facility and most of them use open-space, bush or traditional latrine. About 54 percent of the households are involved with cultivation of whom 44 percent own less than one hectare of farm land. On the average

households have 0.38 hectare land; 46 percent of households do not have any agricultural tools as they do not have any farm land.

Chronic nutritional insecurity and/or repeated illness prevails in the sample households as more than half (57 percent) of the children under five years of age are considered to be short of their age, or stunted. Nearly sixty percent (59 percent) of the children under five years of age are underweight for their height, or wasted. A comparison between the 2006 SCBRMP survey results with the results reported in the national level Demographic and Health Survey (DHS) 2004 reveals that a greater percent of children in SCBRMP sample households were found to be undernourished. This could be a result of poverty as the SCBRMP sample households are beneficiaries of the IFAD assisted project who are expected to be from the poorest communities. More than seventy percent (72 percent) of the sample households experienced hungry season in past twelve months, of whom 41 percent reported to have one episode of hunger in past 12 months while the rest 31 percent reported to have experienced a second episode.

3. Summary of the 2nd round RIMS report

The Result and Impact Management System (RIMS) follow-up survey 2010 was undertaken to evaluate the impact of the Sunamganj Community Based Resource Management Project (SCBRMP) by comparing its findings with those of the RIMS baseline survey conducted in 2006 for the project. The follow-up survey was carried out following the same methodology and the same questionnaire, used for the baseline survey. Data for the baseline survey were collected during October 2006 and that for the follow-up survey during June 2010.

There have been marked improvements in rates of literacy skills among the project people over the interval between the two surveys, revealing educational impact of the SCBRM project. Of the household males aged 14-24 years, 58 percent were found able to read a newspaper or letter easily in the follow-up survey, compared to 52 percent of those in the baseline survey. The improvements were even more pronounced among the household females aged 14-24 years, the variations being from 46.1 percent in the baseline survey to 65 percent in the follow-up survey.

Sanitation facilities improved considerably in the project area over the interval between the baseline and follow-up surveys. While about 10 percent of households had no fixed place for defecation in the baseline survey, the proportion dropped to less than 2 percent in the follow-up survey, indicating that almost every household in the project area now had a latrine, hygienic or unhygienic. In parallel with this trend, the proportion having access to adequate sanitation facilities with hygienic latrines rose from only 28 percent in the baseline survey to 42 percent in the follow-up survey.

Households' access to safe source of drinking water, already at a universal level of 95 percent in the baseline survey, rose further to 98 percent in the follow-up survey. Tube-well was the most common safe source of drinking water, used by over 90 percent of households in both the surveys.

Relatively more households were found to be involved in farming in the follow-up survey than in the baseline survey—62 percent compared to 54 percent. This reflects that people in the project area now had more opportunities to work in the agricultural sector. It is plausibly a result of the community project's efforts promoting crop production.

There were marked increases in the proportion of households raising cattle from 40 percent in the baseline survey to 48 percent in the follow-up survey. It is expected that poorer households will own fewer livestock and that ownership of animals will increase as poverty reduces. Based on this expectation, the increases in the proportion of households raising cattle may be taken as an indication that the poverty has started to reduce among some households in the project area.

Availability of electricity has improved considerably in the project area. In the follow-up survey, 28 percent of households were found to have electricity, compared to only 11 percent in the baseline survey. Thus, more households reported having fans and television sets in the follow-up survey, revealing their improved economic conditions. In the baseline survey, only 13 percent of households had fans and 10 percent television sets; the proportions were found higher at 49 percent and 15 percent respectively in the follow-up survey. Ownership of pushbike also rose, from 8 percent to 11 percent.

Although, there were no notable variations in the proportion of households suffering food shortages in a year between the baseline (72 percent) and follow-up (74 percent) surveys, the duration of shortages appeared to have declined. While the average number of months of food shortages suffered by households in a year was 3.6 in the baseline survey, it was found lower at 3.1 in the follow-up survey.

There were clear indications of improvements in nutritional status of children in the SCBRM project area, reflecting benefits of the project. In the baseline survey, 57 percent of children under-five years of age were short for their age, or stunted (<-2SD), suffering from chronic malnutrition. The proportion dropped to below 48 percent in the follow-up survey showing a discernible decline in the prevalence of malnutrition among children in the project area. The decline was evident among both male and female children, among male children from 56 percent to 49 percent and among female children from 58 percent to 47 percent.

The reductions in chronic malnutrition were registered with every project upazila, upholding the impact of the SCBRMP project upon child health across the project. There were however variations among the upazilas. Chronic malnutrition declined by 10-12 percentage points in the Taherpur, Bishwambarpur and Jamalganj upazilas, but by only 5 percentage points in Sadar upazila. An unusually large reductions of about 20 percentage points in chronic malnutrition, shown in Derai, appears to be a spurious finding being based on a small number of children, only 27, in the follow-up survey.

However, the proportion of stunted children was found to be still higher in the project area than in the BDHS rural sample. While the proportion of stunted children (reflecting the chronic level of malnutrition) was 45 percent in the BDHS rural sample, it was found higher at 48 percent in the SCBRM follow-up survey. It seems that the SCBRM project had yet to have an impact enough to bring down the levels of chronic and overall levels of malnutrition in the project populations to their rural national averages.

The Result and Impact Management System (RIMS) follow-up survey was undertaken to evaluate the impact of the Sunamganj Community Based Resource Management Project (SCBRMP) by comparing its findings with those of the RIMS baseline survey conducted in 2006 for the project. The follow-up survey was carried out following the same methodology used for the baseline survey. Both the surveys were conducted by Mitra and Associates.

4. Summary of CO livelihood impact Study –done by Worldfish Centre

The CO livelihood impact monitoring has covered a wide range of indicators considered for livelihood development in the SCBRMP. The purpose of the study is to assess livelihood changes of the CO members resulting from the SCBRMP project. The intended outcomes of the monitoring are:

- To quantify changes in livelihoods among CO participants;
- To understand the causes behind changes of livelihoods;
- To analyze the impact on the CO members over the project time.

A household profile survey (baseline) was conducted at the beginning of each CO was organized. Inception of CO livelihood Impact study started just after signing of the contract in March 2009.

Role of Social and Human Capital in Livelihoods

The overall size of respondents' households was slightly larger than in the base year; since average population per household increased by about one person. This increase may be a result of project activities that have created positive income opportunities and food security or simply a matter of households having additional children since the baseline survey was conducted. Membership in COs had a positive correlation across all the defined membership categories of the study, especially membership in integrated projects like SCBRMP. Male and female participation in local institutions and committees have changed about equally over time. However, it is apparent from the data that the number of general members in male groups is more than in female COs. At present, general membership of male participants is 57% compared to only 43% of female members in sample groups. Women of participating households had better access to institutions (Union Parishad, Health services, NGOs, Bank and educational institutes) than non-participating women of similar sections of the community.

The micro finance management by the project has created a more diversified income portfolio for the CO participating households through skill training¹ compared to other segments of communities. Increased participation provided better access to finances, services and established improved connections to government authorities.

Normally higher literacy rates are strongly linked with increased number of services gained from different sources. This is also associated with better living conditions and higher social status. The present study reveals that within the project period the literacy rate increased about 8%. It is also observed from the study data that education rate in secondary and higher secondary level and above increased about 2 and 1 percent, respectively.

Household Situation of Natural Capital

Use of total land holding (per household) is bigger in the haor area – averaging 13.8 decimal homestead area - than in other areas of the country. Female headed households have less homestead area than male households; average homestead size of the female members' households remained almost the same in the base and impact years. While in 2009 male households homestead area are slightly increased from base year. One significant difference we have observed in cultivable land ownership is that the amount of land owned (or cultivated?) by female member households in the project period increased by about 22 decimals but the land holding of male members' households remained the same. On the other hand, the study data show that the overall increase of land holding is higher in male (10%) members' households than in female (5%) members' households.

¹ Total 9699 people received skill development training from the SCBRMP in these three Upazilas, source: SCBRMP

Due to project intervention, cropping pattern and cropping intensity both changed positively. Total paddy production (of the sample households) in base year was about 8 MT whereas, this increased to 10.5 MT² in 2009, similarly, production was used for household consumption purposes not for sale in base year and total production in 2009 has increased significantly.

The impact study exhibits importance of dwelling houses in the project area with respect to target beneficiaries. It is apparent that SCBRMP activities created a positive impact on housing conditions of CO participants, in the base year sample household had on average 1.19 dwelling houses while, this number has increased to 1.24 in 2009. While the number of dwelling houses only increased slightly, the total dwelling area has increased to 309 sq ft in 2009 from 296 sq. ft dwelling area in the base year. The share of tin roof housed increased to 87% compare to 73% in the base year. Material of walls also changed, in the base year only 15% households had made of tin (corrugated iron) walls compare to 25% in 2009.

Water borne diseases are very prominent in haor areas, due to extended flooding and heavy rainfall. At the beginning of the project period, 59% of CO households used traditional latrines and 27% used the open field for this purposes. Only 33% households had water sealed latrines whereas in 2009 the use of water sealed latrines increased to 87% of households, most of it was provided by the SCBRMP.

Livelihoods Strategies

Income and Expenditure

Households were asked to estimate their income from different sources for the 12 months prior to the survey date. A similar recall study was conducted in the base year with the sample households, so that we can compare the before and after the project situation of participating households. From the impact study it is observed that the CO members household income have increased within this period. It is found from the impact data that total income per sample households have been increased significantly within the project period, i.e. 67% growth of income recorded from the base year.

Households involved in the COs have about two acres of cultivable land per participating household; however, this does not reflect the real economic condition of respective households. Due to lower cropping intensity³ and vulnerability of crops households do not have sufficient agricultural production to sustain on. Since the CO members are mostly marginal farmers, their main source of earnings are from agriculture. Contribution from own farming was almost the same in the base and impact year in percentage but total earning from farming increased by about 62% within this period. In the base year, total earning from farming was Tk.15,520 while it has increased to Tk.25,219⁴ in 2009. Second highest contributor is petty trading/business in both year nevertheless, total amount from this sector increased about 55% compare to the status in the base year. The present study demonstrates that contribution from fishing related activities has increase about 114% compared to the base year, i.e. from Tk.3669 to Tk.9130 in 2009.

Access to savings and credit

Despite the large micro-credit programs by the SCBRMP in the project area, there is still a debate about the

² Average paddy production of in study area is about 5MT per hector (sources: DAE), whereas, it is more than 10 MT produced by the project participants.

³ Average cropping intensity in Sunamganj district is 134 while it is 197 at the national level. Source: Department of Agriculture Extension (DAE)

⁴ One USD = 69.40 BDT

effectiveness of such programs for poverty alleviation. The impact study shows that the numbers of loans received per household from informal sources has declined. This proves that people of the lower income segment are now less involved in the non formal credit sector (where they have to pay much higher interest rates). Although micro-finance institutions and projects such as SCBRMP have provided ample supply of micro credits, our data shows that the number of credit recipients has fallen from 184 in the base year to 107 in 2009.

About 30% of CO family members are involved in other Micro Finance Institutes (MFI), and 27% took a loan from those institutes. The CBRMP distributed the largest number of loans to participants (122), followed by BRAC and ASA. The average loan size is more than BDT10,000 from these MFIs. Out of all sample households 28% keep their savings in other MFI with average savings per households being about BDT3,000. The impact study shows that the total number of credit in cash and kind distributed by the project among sample households in 2009 was 384 while, this number was only 24 in base year. Overall, 36% of all credits were used to support daily needs, 16% for financing agricultural production, 12% for business and 9% for fishing gear purchase. In all credit 37 CO members' households received seed and credit support for crop demonstration. Another implication is that amount of loans has increased about five times from the first loan per household received. Revolving capital formation is one of the important indicators of the project impact. Community Organizations used their accumulated savings in credit operation among members to enhance financial capacity of each CO. In the impact year (2009) the total number of loans distributed from CO savings was 128, with the amount of individual credits increased from Tk.4754 for the first loan to Tk.9,500 for the fourth loan.

Access to institutions

Membership and/or participation in institutions is a good proxy of social capital, because it provides members with network access to material and non-material goods and/or services. The most common way to assess access to institution of CO members is the number of capacity building trainings on different skill/capacity development participated in over the project period. Study data shows that there were three different types of training conducted by the SCBRMP: individual skill development, management capacity and human development. Among sample households, baseline data shows that during the first project year only one sample household had received skill development training while this number has increased to 46 in 2009; similarly in the base year only 5 sample households' members had received training on CO management and human development whereas this number has increased to 122 in 2009.

Food Security

The SCBRMP project provided micro credits to take more responsibility in sustaining food security by engaging in economic activities such as agriculture, fisheries management, livestock rearing and infrastructure development.

This section describes the seasonality of households' nutritional status; the data show that in the base year 20% of households had no deficit of food, 50% of households had maximum shortage up to three months, 25% of households had food shortage of 4 -6 months and there were 12% of households with food shortage for more than six months within one year. The impact data shows a drastic (or significant) improvement in the food security status of participants: 37% of sample households had no deficit of food, 42% households had maximum shortage up to three months, 17% households had shortage of 4 -6 months and only 4% households had food shortage of more than six months⁵.

Regarding the protein intake, baseline data showed that only 39% of households ate meat while all sampled households (100%) consumed meat in the impact year (on average 58 times). Similarly in base year 86% households consumed eggs 100 times in a year while in the impact year average consumption of eggs was 128 times per households for all sample households. Milk consumption has been increased significantly over the project period, in base year only 9% households used to consume milk whereas in 2009 this amount increased to 65%. Average consumption per household was 133 times in base year but this number has increased to 210 in the impact year.

5. Summary of Impact study (Using MPAT)- done by SCBRMP & IFAD

A study was conducted based on the multidimensional poverty Assessment tools (MPAT) in Sunamganj, Netrokona and Habiganj districts. Netrokona and Habiganj districts were taken as base control areas for Sunamganj. A total of 128 households were taken under study from control area those are of similar to Sunamganj in socio economic and geographical context and no such development support received so far as given by CBRMP in Sunamganj. From project area 480 households were taken for study.

From the analysis of the findings it is found that out of 10 components including Food & Nutrition Security, Domestic Water Supply, Sanitation & Hygiene, Housing , Clothing& Energy, Education, Non -Farm Assets, Exposure & Resilience to Shocks, Gender & Social Equality in 7 Components Sunamganj scored GOOD whereas only in 5 Habiganj & Netrokona are in good position. Out of total 10, in 8 Sunamganj is in better position than in Habiganj & Netrokona. In 2 where H&N are slightly better than Sunamganj are Health and Hygiene and Non-farm assets.

The study suggests that activities of CBRMP have impacted on improvement of majority areas of livelihoods, but could not do much to create non-farm assets and improve resilience to shock.

Table 11 : The score table of the MPAT Survey

Indicators	Scores on components			Indicator Sub Components	Scores on Sub-components		
	Sunamganj	Habiganj +Netrokona	Differences		Sunamganj	Hobigonj +Netrokona	Differences
Food & Nutrition Security	69.66	68.47	1.19	Consumption	79.62	81.51	-1.89
				Access Stability	83.77	79.86	3.91
				Nutrition Quality	46.71	43.54	3.17
Domestic Water Supply	79	61.89	17.11	Quality	68.14	52.7	15.44
				Availability	93.91	65.67	28.24
				Access	75.98	70.32	5.66
Health & Healthcare	62.28	62.42	-0.14	Health Status	75.09	74.84	0.25
				Access & Affordability	56.96	54.99	1.97
				Healthcare Quality	56.62	58.53	-1.91
Sanitation & Hygiene	51.97	47.39	4.58	Toilet Facilities	55.69	47.44	8.25
				Household Waste Management	27.27	29.42	-2.15
				Hygiene Practices	87.2	75.91	11.29
Housing , Clothing& Energy	65.71	58.04	7.67	Housing Structure - Quality	53.41	52.4	1.01
				Clothing	84.56	62.26	22.3
				Energy Sources	73.92	72.55	1.37
Education	62.41	48.24	14.17	Quality	42.62	43.71	-1.09
				Availability	83.19	43.06	40.13
				Access	72.22	69.57	2.65

Indicators	Scores on components			Indicator Sub Components	Scores on Sub-components			
	Sunamganj	Habiganj +Netrokona	Differences		Sunamganj	Hobigonj +Netrokona	Differences	
Farm Assets	78.69	80.06	-1.37	Land Tenure	70.97	72.88	-1.91	
				Land Quality	96.99	98.05	-1.06	
				Crop Inputs	78.61	75.47	3.14	
				Livestock/Aquaculture Inputs	84.37	89.13	-4.76	
Non -Farm Assets	39.85	36.71	3.14	Skills	28.2	24.97	3.23	
				Services	54.99	48.54	6.45	
				Assets	48.64	49.41	-0.77	
Exposure &Resilience to Shocks	54.89	51.56	3.33	Exposure	35.33	35.78	-0.45	
				Coping Ability	68.96	64.32	4.64	
				Recovery Ability	70.78	61.27	9.51	
Gender & Social Equality	77.59	70.1	7.49	Access to Education	74.21	64.79	9.42	
				Access to healthcare	67.25	63.88	3.37	
				Social Equality	99.56	87.6	11.96	
Number of MPAT components								
Above 60 points		7						5
In-between		3						5
Below 30 points		0						0

Sustainability

Sustainability refers to the capacity of the CO to operate independently out of its own revenue generation in a cost-effective manner. Operational and financial self-sustainability of a CO is a combined function of its outreach, cost of fund, cost of operation, fund availability, credit recovery, interest and service charges realized. The bottom line is efficiency and profitability. A recognized profitable organization can continue independent operation and quality to raise funds from the market. With the decline in donor fund from Tk. 52.00 core to Tk 10.00 core sustainability is emerging as a major issue with the MFIs. Professional external audit was not undertaken other than by the Project. On other part CO graduation took place as an exit strategy of the project and without support of the project if the CO wishes to run they can. On such information the scope of sustainability is limited. However, the project has some statistics on the running graduated CO. As on June, 2011 total running graduated COs were 149 (5% of total CO) and on March, 2014 it reduced to 96 COs (3.2% of total CO), those were continuing their activities without the support of SCBRMP and they were engaged with MFIs and taking financial support from them. Ultimately the decreasing trend indicated that without the support of any organization it is very difficult to continue the activities of such type of grass-root organization. Though some COs are found profitable but there is a uncertainty that MFIs are not yet fully sustainable particularly if grand and subsidized funds are properly accounted for.

Considering all SCBRMP took the sustainability and exit strategy more seriously since its MTR. The areas identified to take into special consideration on institutional sustainability of CO. Upon closing the project credit line, challenge was developed to recover the outstanding. However SCBRMP has one it very successfully introducing a graduation process with zero liabilities between all parties including project, CO and the Bank. The whole fund given to BKB for credit operation has been refunded to Project and recovery of the outstanding being the liability of Bank has been recovered very satisfactorily through the process of CO Graduation. About all

COs have been graduated successfully. SCBRMP has established a unique method of exit with no liabilities lie with the project as well on COs.

On other hand, a total of 16 member-based formal and semi-formal MFIs are found working in project upazilas in Sunamganj District. Aside from Grameen Bank, a lone formal MFI and all others are semi-formal MFIs (NGOs) working in various project upazilas in the district.

Out of 15 NGO-MFIs, four are the Partner Organizations (POs) of the PKSF, namely ASA, BRAC, Padakhep Manobik Unnayan Kendra (PMUK) and Voluntary Association for Agricultural Development (VARD). Out of these four NGO-MFIs, three are of national (ASA, BRAC and PMUK), one (VARD) is of regional and all others are of local status in terms of the expansion of activities in districts in Bangladesh.

Of these NGO-MFIs, ASA and BRAC are found to have been implementing the microfinance (MF) program in all the project upazilas. Of the other two PKSF's POs, VARD is found to have the widest coverage in as many as seven project upazilas. On the other hand, PMUK has MF activities in only three project upazilas.

Some other local NGO-MFIs such as FIVD, CDA, DSK, Shabolombi, TMSS and SANCRED are also found working in a fairly good number of project upazilas (6 and 5 upazilas respectively) for about 20 years in the project areas. As a new entrant, CNRS has also covered a handsome number of the project upazilas (6 upazilas) in the district. Most of other local NGO-MFIs working in the project upazilas are found either new in the area or have very insignificant area coverage in the project areas.

Though the project did not act major rule to involve the beneficiaries with the MFIs but a remarkable number of beneficiaries of the CO newly involved with the NGOs after declaring graduation. They are continuing their on-going IGA by getting the financial support from the NGOs. This is one of the hopes to sustain the individual IGAs of the beneficiaries in near future.

Innovation

In a nutshell the innovation the project activities were

1. Internal Audit of the CO:

The internal audit was one of the most vital administrative instruments to the project. It had been regularly being carried out on yearly/half yearly basis. Meanwhile 10th internal audits had been undertaken. The findings of the report gave guidance to the project as well as CO to bring accountability and transparency in CO management. Internal audit was carried out by a team comprising CDF, SO and other staffs from SCBRMP. President and Managers of COs were also present with them to assist the audit work. COs books and records were checked and information recorded in prescribed working papers. For verification, information was compared with bank statement where applicable. All COs of the project were brought under audit.

2. Autonomous micro credit monitoring system (SHE software):

For setting up a MIS to track the microcredit performance of COs with a computerized data monitoring system primarily at Upazila level and centrally at PMU SHE-software was developed through the assistance of IFAD & Dhan Foundation, India. Software made the scope of keeping individual beneficiary database, reducing MF data inconsistency, replaced the labor-intensive microcredit monitoring system and took place for overall monitoring of the project microfinance operation.

3. Making liability free microcredit within the project period and declaring CO graduated- an unique exit strategy of the project:

It is a process of declaring CO self-reliant withdrawing project supports and allowing the COs to govern their activities by them own. The project has a commitment to form 3000 numbers of COs comprising 1800 women and 1200 men at 9 upazilas of Sunamganj district. These entire COs will be graduated by the year 2014 upon achieving a certain level of capacity in terms of financial and group management skill. The graduation will take place gradually started with COs reaching 4 years of age. Every year the graduation will be scheduled with some matured groups selected through a set of capacity measuring criteria and that will be implemented in a regular manner.

All COs listed for graduation will have to go through Final Accounting. A Final Account Statement will be prepared for each CO following a format and that will give the financial status of the CO with issues concerned, and necessary recommendations. Concern Staff will conduct the Final Accounts under the guidance of project. A detail discussion will be taken place with CO regarding the preparation for the graduation-day so that necessary documents are rightly prepared. The activities and responsibilities are also be assigned accordingly and an agenda should be followed for the day.

After completing final account, a plan will be prepared to distribute CO fund to members except keeping a minimum balance in bank account. The group leaders in the presence of the project staff will distribute the dues either cash or cheques to members. A formal declaration will be made of CO graduation following some formalities in presence of all CO members, union advisory committee members and CBRMP staffs, and that will be duly documented.

The groups who are keen to continue their activities will start afresh opening new books of account along with other formalities maintained for a savings group management.

Gender aspects

Gender development is crosscutting to all project activities. Staff, project partners and community at all levels gender issues had extensively been oriented to address it adequately with proper values in project implementation process.

The following table shows the status of Microcredit performance in gender development:

Table 12 : Status of project performance in gender development at key areas

Activity		Indicators	Achievement up to June 2013			Female to Male ratio (%)
			Female	Male	Total	Status as of June 2013
Interest groups formation		No. of groups formed	2145	850	2995	72:28
Member enrolment		Members enrolled	61543	25194	86737	71:29
Savings mobilization		No. of members accumulated savings	61543	25194	86737	71:29
		Value of total savings accumulated (in Lk,Tk.)	862.16	361.48	1223.65	70:30
Loans received by group members	From savings fund	No. of members received loans	14852	5654	20506	72:28
		Value of loans given to member (in Lk,Tk.)	889.18	379.65	1268.84	70:30
	From project fund	No. of members received loans	15842	8118	23960	66:34
		Value of loans given to member (in Lk,Tk.)	1540.78	733.74	2274.52	68:32

Activity		Indicators	Achievement up to June 2013			Female to Male ratio (%)
			Female	Male	Total	Status as of June 2013
Training provided to group members directly related to income-earning	Micro-credit management	No. of members received training	236	118	354	67:33

It is observed that women participation in project activities is more than that of men. Women are constantly more and more involved in development activities and taking lead roles in income generating activities and decision making process in HHs and greater society.

Role of partners

For micro credit component the main partner was Bangladesh Krishi Bank. Under a subsidiary loan agreement BKB played roles to provide support for the project beneficiaries. In addition of that for training and technology dissemination Department of Agriculture Extension, Department of Fisheries and Department of Livestock always extended their support and cooperation where and when required.

Overall Achievement based on log frame indicators

Considering the log frame indicators the overall achievement of micro credit was as follows:

Table 13: Performance on project log-frame indicators

Impact and Outcomes	Indicators (with global target if available)	Achievement (as per M&E data)	RIMS Rating ⁶	
			(by Project)	(by mission)
Impact level				
Overall Goal: Sustainable improvement in the livelihood and general quality of life of 90000 (revised from 135000 by MTR) poor households living in haor areas in Sunamganj.	% of stunting children reduced	Not determined		
	No. of HH with increased assets	Not determined		
	No. of women owing increased assets	Not determined		
	No. of HH with improved food security	Not determined		
	No. of HH with improved source of livelihood	Not determined		
	No. of CO members with savings & using credit (90000 2 nd revised)	86737(96%)		
Outcome level				
Component : Micro Credit	Savings and credit service program implemented	96 nos.(3.2%) of CO operational after component exit/ Graduation ,		

Sl.#	Items	Indicators	Project target	Project total as of April 2014	
				Achieved	%

⁶ Project/SM did not provide RIMS rating as no updated RIMS data was available.

Sl.#	Items	Indicators	Project target	Project total as of April 2014	
				Achieved	%
1	Community Organizations (COs) formed and members enrolled	CO	3000	2995	100
		male CO	1200	850	71
		Female CO	1800	2145	119
		Members	90000	86737	96
		Male enrolled	36000	25194	70
		Female enrolled	54000	61543	114
2	Savings mobilized by CO members	Total members	90000	86737	96
		Male	36000	25194	70
		Female	54000	61543	114
		Total savings in LTk.	1213.81	1223.43	101
		Savings by male in LTk.	485.52	361.30	74
		Savings by female in LTk.	728.29	862.13	118
3	Loans provided to CO members from CO Savings Funds	Total amount in LTk.	1268.27	1268.84	100
		Amount to male in LTk.	379.09	379.66	100
		Amount to female in LTk.	889.18	889.18	100
		Total members	15000	20506	137
		Male	7000	5654	81
		Female	8000	14852	186
		Recovery (%)	100	100	100
4	COs provided credit from Project Credit Line through BKB	Total amount in LTk.	2270.66	2274.52	100
		Amount to male in LTk.	732.24	733.74	100
		Amount to female in LTk.	1538.42	1540.78	100
		Total members	23960	23960	100
		Male	8118	8118	100
		Female	15842	15842	100
		Recovery (%)	100	100	100
5	CO accounts audited	CO Audit	3000	2995	100
		Final accounts	2995	2995	100
6	CO graduation	Total	2985	2985	100
		Male	843	843	100
		Female	2142	4142	100

Issues & Recommendations:

Despite the above achievements of microcredit, there were some important issues which are outlined below:

a) Strategic Management-

- Absence of long-term vision among the implementing agency/Department for establishing a Sustainable Organization or making a Semi Autonomous Body (SAB) regarding economic viability, lack of focus on graduating beneficiaries. On the other hand long term planning made difficult through changing the views/objectives or the prescription of donor practice (like: CO graduation as an exit strategy, dropping SAB) of the project.
- All project activities are done by the project staff and COs are continuing their organizational activities but Bank has only the authority to approve and disburse loan to CO. Since the bank staff plays a very little role of their responsibility for providing supports towards COs, it would be difficult to run the CO with the bank after completion of the project.

b) Financial Management-

- Cost benefit not shown regularly and the recovery rate were not available because different bank branches did not post the realized loan in regular basis.
- Some staff of the project/bank those who were directly related to micro credit operation did not adequately follows accepted accounting principles and MIS, often did not have sufficient knowledge of accounting and adequate policy on default management.

c) Managing Organization/people-

- Absence of specific institution in future for micro credit sector of the project for providing training or financial support to CO member constrains human resource development.
- Institutional culture was not geared up to the mark in CO for achieving institutional viability at group level.

d) Micro-savings of CO member-

- The member of COs did not have proper perception of utilizing savings or had not enough planning to generate group fund adequately to minimize their credit need of individuals.
- There was an absence of innovative product or instruments to attract voluntary savings from the members of the CO.

e) Governance of the Micro-Credit Sector-

- There was no legal status of operation of the Micro-credit in the SCBRMP project without Bangladesh Krishi Bank.
- The ownership structure of the most COs was not decided, i.e. who owns the COs after completion of the project was not determined.

Since the SCBRMP program was targeted with the Millennium Development Goals to reduce the poverty of the Sunamganj area, it should be required to consider the following recommendations for the micro credit program (if any) in Sunamganj:

- Long term strategic plan with sustainable linkage of the grass root organization to the service provider organizations of the Government. Bangladesh Krishi Bank should also play the role of Credit Provider as a government part but it needs to modify as a user friendly financial institution with skill, trustworthy and sufficient staff, if not project could link the CO with MFIs or establish the SAB.
- Project should take the consideration of member graduation with sustainable income generating activities from which poor member can earn enough to maintain their own family expenditure and create a household based employment.
- Graduation process of the organization (CO) should not be enough if after graduation the CO could not able to create a linkage with financial institute to meet their requirement of finance for taking initiative of income generating activities.
- Individual organization i.e. CO needs to be registered or affiliated from the designated government department.

SWOT: Micro Finance Component

Strengths	Weakness
<ol style="list-style-type: none"> 1. CO formation is for sustainable grass root organization and development of the poor. 2. Initiative taken for the capital formation of the poor by their own. 3. Targeted members enrollment ensures the backward linkage of development on skill and knowledge management. 4. Training makes the beneficiaries skilled and confident to invest loan money in income generating purpose of agriculture, livestock, fisheries, food processing and other small trades and business. 5. MF helps the poor beneficiaries to initiate activities with some financial support. 6. MF makes the scope of skill utilization of poor beneficiaries. 7. MF reduces the illegal practice of money lending. 8. It is a special type of Micro Finance which directly gives benefit to the poor to initiate IGA and at the end it gives the share from earned interest of the loan. 9. SLA gives the legal entity of the MF with BKB. 10. Project has sufficient revolving fund for the loan. 11. Minimum or less collateral and easy terms of conditions for getting loan assistance. 12. CO/member can enjoy 10 times higher loan as they accumulate their savings. 13. Interest rate is minimum 10% (reduced rate) and it gives scope to back the taken loan in equal ten installments with in the loan tenure. 	<ol style="list-style-type: none"> 1. Exit strategy or formation of SAB was not well defined at the beginning of the project which was fully linked with the sustainable grass root organization. 2. BKB is the only partner/financial institute for implementing micro finance of the project that have a lot of failure experiences of such project MF activities. 3. Mission recommendations were not in favor of micro finance activity continuation or to develop a sustainable institute for assisting the poor with cash/loan. 4. Project has limited scope to address the seasonality of the natural calamities. 5. Project objectives not well known to a part of staff and for that participatory strategic management is not function well for maintaining total quality of the activities. 6. Project expertise such as Consultants, Subject Mater Specialists, etc. could not make sufficient scope to utilize loan safely or user friendly policy. 7. Some loanees were less aware about loan product or the loan amount and sometimes it was not justified with the applied loan amount which caused to increase loan default. 8. Manual MIS and inadequate tools to analyze and compare staff/CO performance for management decision making.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Establishing sustainable grass root level institution for technology dissemination and providing other supports to implement the activities with financial assistance. 2. Open the door to discuss, solve problems and utilize local resources all together . 3. A great opportunity to assist the poor people with financial support with minimum contribution of them. 4. Helps to generate group fund for their own capital formation which will help them to continue their income generating activities without out side financial support or money lenders. 5. Make the poor women empowered and capable to lead their income with smooth daily life. 6. Scope of introducing many new technologies to generate income. 7. Create full time of per time family employment opportunity in loan activities. 8. It was possible to establish a sustainable wing/linkage with the mother organization which making some staff employment permanently. 	<ol style="list-style-type: none"> 1. Graduation of CO without giving legal authority or linkage with other legal Gov. department for continuing their organizational activities and for that it could not address poverty alleviation. 2. Seasonality (flash flood and other natural adversity) could not help to invest in time as well as destroy the loan product. 3. Excessive flooding caused to fail product of loan. 4. Lack of communication and marketing facilities could not give the maximum return form the product. 5. Linkage with BKB, a less careful department. 6. Lack of following steps of total quality management of MF as well as project activities. 7. Little staff development scope could not make the staff motivated and up dated with competitors. 8. Manual monitoring system with less loyal staff might miss leading data. 9. Mission recommendations were for MFI or not supporting SAB or any other sustainable structure.

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The End