

Final Evaluation of the Project on Empowering Disadvantaged Tribal Poor in Northwest Bangladesh

Implemented by
RDRS Bangladesh

Consultant
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Commissioned by
Stromme Foundation
Dhaka

Date: 02 May 2006

Dear Mr. Joel,

1. Many thanks for your good comments (SF) and that of RDRS. I enjoyed the comments that are educative to me. This indeed shows high level professionalism and seriousness of SF and RDRS in their development efforts. Frankly, I have already finalized the RDRS report following comments from Mr. Nimal. That is the final report. I am not a all knowing consultant and have of course professional limitations. A consultant has a working principle and cannot accomodate all views. I truly appreciate and highly value your comments. These are parts of the study no doubt. But those are yours. I want to close the business having admitted my limitations, if any. I am helpless if comments start pouring in even after I have finished the reporting. RDRS should have given their comments on my first draft and then I could have taken care of.

I would suggest to treat the comments of SF and RDRS as accompanying documents of the Final Report dated 26 April 2006.

2. I am clarifying some points raised by RDRS. These do not need to be spelled out in the report and just for information.

a. Factoring - It's a financing method for meeting working capital as and when necessary. As for instance, if a client (say an ME client) gets some valid carpet orders. The ME client has no money to buy raw materials and other stuff. RDRS can provide money to the ME client with the condition that the buyer will give the sales proceeds to RDRS. RDRS can charge reasonable fees as deemed fit. Books on financial management may be consulted for comprehensive idea. Maybe some financial institutions use this practice.

b. Weak governance of Trusts - the purpose is to galvanize RDRS. I quote from one study "Environment Analysis of Current Legal and Legislative Laws" commissioned by CARE and conducted by me and Yawer Sayeed, CEO of Aims Bangladesh, July 31, 2004. The SL 87 of the report says that:

In respect of Trusts, there is no interference from any other from outside. The management and administration of the Trust are quite independent and autonomous so long the Trustees are seen to be acting within the terms and conditions of the Trust Deed. All through, the Trust remains an unincorporated amalgam of persons meaning it is not a juristic person like a company. There is no regulator of Trusts and are not required to comply with any prudential requirements and reporting. Trusts Deed is registered in the Sub-Register's Office. The comment emanated from this standpoint.

c. Presentation of the draft to RDRS by the consultant - I know that this is the process indeed what the consultants normally follow. Generally the ToR incorporates such things.

3. As there is no comment on the Report from VARD and SF, I would to look into the Report carefully and edit where necessary and hope to send to you within 2 days.

4. SF has not done any agreement with me. You can make a 1-2 page agreement with me

engaging me in the tasks separately. I had incurred 4 additional days for RDRS (2 days journey, one day field work and one day report writing). I hope you would consider these extra days.

5. Finally I am grateful to all of you. I have enjoyed these assignments, learned a lot and known some of you closely. I have personally enjoyed working with you in the fields.

Cheers

S M Rahman

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Empowering Disadvantaged Tribal Poor in Northwest Bangladesh

1. 0 Background

RDRS has been operating since 1972 implementing development projects promoting skills, awareness, capacities, and confidence and technologies in order to raise the living standards of disadvantaged and rural poor in Northwest Bangladesh. Stromme Foundation, a Norwegian NGO has been actively involved supporting RDRS and its development program for a number of years to help achieve its goals faster.

RDRS has assumed responsibility to integrate and support specially disadvantaged population including the indigenous population within its working area (as part of the development mandate under its current strategic plan 2001-2005). RDRS with support from Stromme Foundation has therefore launched the project "Empowering Disadvantaged Tribal Poor in Northwest Bangladesh" in Dinajpur, Thankurgaon and Panchagar districts to contribute to the uplift of marginalized indigenous/tribal community. The project has implemented activities in the five-year period. Against this backdrop, the Stromme Foundation has commissioned the Evaluation/Review to assess the outcomes that will provide direction to continue the trajectory in a more efficient and meaningful way.

1.1 Overall Objectives:

- a. Assess the physical progress of the project and its impact that has taken place in the lives of the project participants.
- b. Identify the problems and weakness, if any in the project design, implementation strategy for future intervention.

2. 0 Methodology and approach

In evaluating the project, participatory approach was followed at all levels. The professionals of RDRS also participated actively and rather in a non-partisan way. The following methodology was adopted:

- a. Unbiased Group/Client selection for the evaluation
- b. PRA (with clients both in credit and education programs) and Focused Group Discussion (FGD) with 54 clients
- c. SWOT Analysis with project staff
- d. Group Discussions with senior management staff
- e. Sharing the major findings with RDRS senior management at Rangpur.
- f. Documents studied are shown in Annex-1

Before kicking off the task, a thorough orientation by Mr. Imrul Kayes Muniruzzaman, Director (Social empowerment) was given to the team on the project and RDRS. Besides, Mr. Tapan Kumar Karmaker Director (Microfinance) and Mr. Md Afsar Ali Project Coordinator also briefed the team on the project.

Following the submission of the draft report, another field visit to RDRS was undertaken where more consultations were held and additional data were collected to meet the comments on the draft report.

The consultant developed some checklists/tools for collecting information. Ms. Karina Soren, Education Supervisor had provided great support and help to the team in conducting all PRA and FGD sessions.

2.2 Team Composition

The team is officially composed of the Independent Consultant (S.M. Rahman – Team leader), Stromme’s senior management staff (Joel Das) and RDRS Representative (Md. Afsar Ali, Project Coordinator). The ToR appears in the **Annex-2**.

2.3 Limitations of the study

Being basically a one-man team (seeing that one consultant was hired) is difficult to have an intensive enquiry into the project. Carrying out an evaluation for 5 years’ project based on year-to-year split projects was difficult. Too many jobs in too many directions are mandated in the assignment. Programmatically this is not a sound idea. A three-member professional team with microfinance, institutional development and education background would have been worthwhile. It is not wise to do too many things with one eye as the domain is wide ranging. After all a perfunctory review will not serve any purpose. The review was constrained by time as well.

3. Scope of Evaluation

The evaluation was conducted in Dinajpur and Thakurgaon districts where the project is being implemented. All activities were reviewed on sample basis.

4. Findings of the Evaluation

4.1 Physical Achievements

The project adopted a basic approach whereby it tried to address the immediate needs of the clients, their rights and accesses and social intervention. The physical progress contains target and achievement. RDRS implemented huge activities during the five years period. The achievement broadly contains activities on education, credit and savings and training. RDRS put a lot of emphasis on training for building competence and capacity of the members. This included training on cultural development by staging theaters, folk cultural program and conducting rural workshop. Training also included on human rights & gender awareness, inheriting property and land rights, family and labor laws. The training included healthcare and childcare, traditional birth attendance, food habit and nutrition, home gardening training, crop production training, livestock, fish and pig rearing training, etc. The major activities are shown in the table below that depict attainment of targets¹.

¹ Program Achievement Report, RDRS

SL	Activities	Combined Target	Achievement	Achievement (%)
	Membership			
1	Members	4500	4160	92%
2	Education Program			
3	Opening of children education center	-	16	-
4	Enrollment of learners in children education center	448	920	205%
5	Opening of functional Adult education centers	20	95	475%
	Enrollment of adult learners	592	1700	288%
6	Opening of Adolescent education centers	10	10	100%
	Enrollment Adolescent learners	150	150	100%
	Credit facilities provided			
7	Total group members provided credit facilities	6961	5956	86%
8	Total credit disbursed to group members	Tk.68.38 million	Tk.19.64 Million	29%
9	Number of members provided land redemption credit facilities	455	363	80%
	Total disbursement in land redeem	Tk. 1.6 million	Tk. 2.88 million	180%
	Savings of members			
12	Raising of group fund	Tk. 2.484 million	Tk. 3.168 Million	128%
	Training to members			
13	Credit management training	-	597	-
14	Tailoring training	75	75	100%
15	Small enterprise development training	236	95	40%
16	Handicraft/mat making training	45	40	89%
17	Jut products making	30	40	133%
18	Mechanical training on bike repairing	53	35	66%
19	Mechanical training for power tiller operations.	20	10	50%

4. 2 Lessons learned

a. Problems of the community

The major problems encountered by the community include the following²:

- a. **Children education:** Lack of facility in providing education to children. Up to Class – II education is provided by RDRS and for above, the children have to go to the government primary schools.
- b. **Modicum scope of employment:** Women are involved in agricultural work as day labors. There exists employment scope during the seasons. Normally there is no work after completion of planting crops and before harvest. Those who are associated with sewing said they remained without work for six months. Some said that there are prospects of handloom. Poultry and livestock were also said to have potentials as commercial activities.
- c. **Sanitary latrine:** Culturally, the indigenous people are reluctant to using any latrines. They defecate in the open like legions of common people in the rural areas. There is no jungle now, so defecation has become problem to them. Maximum households do not have any latrines and they have no feeling for it either³. The project is trying to bring about attitudinal changes in their mindset to use sanitary latrines through adult and adolescent education. Long time programmatic motivation is imperative for positive outcome.
- d. **Males are not economically active:** The males are generally averse to work and remain idle and addicted with alcohol. This is an awfully difficult task to stymie them from the current situation. Women are being persuaded though, through education programs to refrain the males. Fortunately the new generation males are generally free from alcoholism.
- e. **Dismal housing condition:** Housing condition is not at all hygienic. These houses are mostly mud built with thatched roofs⁴. It's dark inside without any windows to pass light through. It is difficult to understand why these people are living in such habitats. If some research is undertaken, it might provide some leads as to why they are living in such conditions. But those who are well off and educated are living in better housing conditions like mainstream people. The situation may change with increased economic well-being of these people.

² The information emerged in all focused group discussions with the beneficiaries of the project.

³ 78% of the women interviewed who do not use any latrines. The construction of latrine is also difficult in view of space problem. The national coverage in sanitation is not more than 40% despite a lot of campaigns and interventions in the last 15 years. The study carried out by Caritas found (2004-05) in a sample of 18,514 ethnic families in northwest regions that 86.68% families use open place for defecation while 13.32% use sanitary latrines.

⁴ The same study by Caritas indicates that 18.56% families live in some kind of dilapidated makeshift houses, 80.07% live in mud-built houses, 0.94% live in semi-brick built houses, while 0.43% families live in brick built houses. It also revealed that 42.83% families have houses on their own land while 57.17% families have houses on others land.

b. New Experience of RDRS working with very poor

The staff said initially RDRS thought that they would not be able to operate microfinance with indigenous people. But the idea has been dispelled proving it wrong eventually. Demand for loan is gradually increasing. Some of them now are rearing goats, cows, which they were not used to in the past. They are doing savings regularly and it is going up. Loan for land redemption is also increasing and they are getting back the land. Where necessary, RDRS is also putting in its efforts in releasing the land. The Adibashi had hesitation at the beginning about RDRS but now they have changed their idea and have reposed full confidence on the organization. They have been able to organize themselves in holding cultural activities including drama/theater. Many of them were said to have no land and work as agriculture labors. Before joining the program, they could not say anything. Now joining the group, they have become bold and can vocalize their problems and developmental issues. Some are eager to rear poultry that was not seen in the past. Women are now-a days not very enthusiastic in going to the fields for doing agricultural activities. They want to get more involved in household chores and caring for children's education. Generally they utilize the loans for which it is intended. Going to moneylenders is noticed still high. The strengths and weakness of the program include⁵:

4.3 Strengths and weaknesses

Strengths

- i. Savings habit has been developed and savings is going up.
- ii. They can withdraw savings in case of emergency. They can also save more should they want.
- iii. Change of professions for livelihood is seen.
- iv. Land redemption program has been very useful. Having gotten back their land they are now getting increased crops.
- v. Legal aid from RDRS is being provided wherever necessary.
- vi. They are united now for their welfare.
- vii. Number of households sending children going to schools has gone up.
- viii. Early marriage has gone down.
- ix. A new sense of feelings emerged in them following observing various days on National and International occasions.
- x. Cultural heritage is being protected and promoted (through adult and children).
- xi. Adolescents and adult educations are helping to bring about greater awareness among the populace.

Weaknesses

- i. There is no seasonal loan facility that compels them to go to moneylenders.
- ii. About 80% of the indigenous people do not possess their own homestead lands.
- iii. There is no loan repayment flexibility in September-October (before the harvest period, when they have no work and eventually and no earnings).

⁵ The project staff revealed this information in a SWOT analysis.

- iv. There is lack of adequate training facility to improve skills of the members.
- v. Rate of interest on general loan is high for hard-core poor (reduced to 12.5% from 15% flat rate since April 2004).
- vi. No housing loan is available that could help them for a better living⁶.
- vii. Lack of adequate income IGA training on poultry and livestock⁷, vegetable gardening, etc.

4.4 Development Education

a. Children School Program

A school in Kharikadom in Birgonj, Dinajpur was visited. The school normally runs two classes viz. Class I and II. Each class has 20 students totaling 40 round the year. The students comprise both boys and girls. When the students pass class-II, they are admitted into government's primary schools. There were one male and another female teacher recruited from the indigenous community. The teachers said they do not face any problem in getting admission in government schools. About 295 students were said to be admitted in the government primary schools⁸ against a target of 350 who were mainstreamed since 2005. About 6% dropout had occurred due to migration, death, etc. In 2005, Pre class-I has been introduced. The schools are run in two sessions. The students regularly attend the classes as seen in the attendance register. In class –II, the total students is now 17 as two had migrated and one had died. Only one boy was found absent, as he has been sick for about a week. There was no dropout of students. The subjects that are taught include Bengali, English and mathematics. The pre-I students are taught Bengali and English alphabets. They are also entertained with games and funs. The students are being made culturally stronger. They can dance and sing songs in Bengali and their own dialect. They carry out cultural activities in their own languages as well. The teachers were found active, agile and committed to profession

One teacher said BRAC curriculum is good as the lesson learning is time bound. The students' performance in terms of their study lessons is quite satisfactory. This was evident when they responded to a number of questions asked by the team. The school has been named Adibashi education center. It is suggested the school be named "RDRS School" If this is not done, their mentality will be marginalized and will be shaped accordingly and narrowed down. The students undertake studies free of cost, no tuition fee and no cost for books and ball pen is incurred. One school dress is given free. Earlier tiffin was given free. The parents meet once a month. The teachers, the school management committee (SMC) and RDRS Project staff attend the meeting. They discuss various issues about the welfare of the children.

b. Adult Education Program

Dristhi Adibashi Mahila Samity in Bikrampur, Dinajpur was visited. RDRS introduced 10 such centers in the project. The center is operating since October 2005. There are 20

⁶ Grameen bank has a loan product for housing. The bank attaches top priority to the housing problems of the poor. So far more than 500,000 clients were provided with housing loans.

⁷ ADB and IFAD are supporting PKSF in implementing poultry and livestock program as they significantly help poverty reduction.

⁸ The project coordinator informed the team on the issue.

members who sit for 6 days a week during 4.30 pm to 6.00 pm. This is a six monthly course. PRA and Reflect method are being widely used for the education. Activities include knowing the village through transact walk, social mapping, knowing the problems and working out solutions. They consider sanitation as the major problem in the village. They discuss the needs and uses of the latrine and identified households without latrine. The government is learnt giving them some support in sanitation. The participants have vowed that by January 2006 total sanitation in the village will be accomplished. The teacher has been trained for 10 days on Reflect method. Their future activities include: healthcare system, sewing work, IGA, children's education, drinking water, tree plantation, resisting alcohol use. They have chalked out a campaign strategy for fighting alcohol use and form an Alcohol Resisting Committee⁹.

c. Adolescents Education Program

An adolescent program was visited in Jhaljhal, Birgonj Dinajpur. There are 25 adolescents that include 8 girls and 17 boys. The program basically deals with life education. When asked they identified five critical issues that include: (i) no grants received from the government so far (ii) current income level low but expenses is high enough, (iii) wages comparatively low (Tk50-60 against Tk70-80 in the labor market) and (iv) exploitation and injustices is highly prevalent. The indigenous people (due to lack of education and awareness) could not protect their landed property. This is a six-month program that began in October 2005. The learners said there is scope for livestock and poultry rearing in the village. They are using PRA and Reflect methods in the program. The participants have acquired huge skills in using PRA. They are doing social mapping (locating households, latrine, timber/tree, etc). They have also identified a list of problems that cause poverty. These include illiteracy, unhygienic situations, bad habit, and unawareness and lack of money, above all. They have identified profit potential of some vegetables that can be grown in home gardening. These deliberations have brought about improvements in their thought process. They have planned to observe nine different national and international days.

4.4 Training Center

a. Carpet training and home weaving

In order to notice the outcome of the training, the carpet training center and home weaving arrangement were visited. The training center was set up in 2003 in Birgonj, RDRS branch office, Dinajpur. So far 50 women were trained¹⁰. The training is low cost and cost effective. The duration of training is two months. Cost of the training per batch is Tk 50,000. 10 women attended each batch. There is one qualified part-time training instructor who works on daily basis. Products include floor mats, domestic wall mats, prayer mats, tea tablemats (in all 11 kinds of products are produced). The team visited two women's production centers in Rongaon in Birgonj, who received training and are working on commercial basis. The first one produces three pieces of floor mats side-by-side doing her domestic work. She earns Tk 1700 as wages in one month, while the other

⁹ The teacher of the center said this while the team met the group.

¹⁰ The branch manager revealed this information when interviewed.

one can produce two such products and earns Tk 900 as wages. They are making reasonably good earnings.

b. Sewing training for adolescents

RDRS is using a training center of the government in the Upazila, Birgonj meant for the Adibashi. The training center is a small one storied building. It has 15 sewing machines and other facilities including electricity facility. RDRS is using the accommodation free of cost. About 15 adolescents were found having one month training from this center. There is a qualified female trainer who imparted quality training to them. They are cutting and sewing various types of garments. The training will help them to produce quality garments. Some of them would need assistance for buying sewing machine. If they are linked with local tailoring shops in the markets, they will be able to sustain the training and would be able to earn regular money as well. RDRS has to do the market linkage.

4.5 Microfinance Program

In the microfinance program¹¹ the project covered a total of 4049 members that included 3925 (97%) women and 124 (3%) men. A total Tk 20.88 million was disbursed that included Tk 17.85 (85%) million as general loan and Tk 3.03 (15%) million land redemption loan. Total loan outstanding is Tk 5.97 million that includes Tk 4.71 million and Tk 1.26 million as general loan and land redemption loan respectively. The loan recovery rate was 97% overall that includes 97% for general and 96% land redemption loan¹². On-time loan recovery is 98% all through. Stromme Charges 7% in declining balance. On the other hand, RDRS charges 12.5% on the general loan and 8% on the land redemption loans, both on flat system.

The portfolio at risk is 9%, which is higher and need to be contained. The staff productivity is 239 per field worker. The rate of loans due is 52%¹³. The operational cost ratio is 29%, which is higher but falling sharply. Cost per unit of money lent is Tk 0.19, which is higher but is falling down. These are good signs indeed. By the industry standard, the loan recovery rate is very satisfactory. The Operational self-sufficiency (OSS) in 2005 is 40%, which is increasing but still quite low¹⁴. There is a demand for loans. Clients' savings is not used for giving loans like other NGOs. The OSS would have definitely gone up if savings were used as loans. What are needed now is increased outreach in terms of clients and loan dispensation without increasing any credit staff. Five years performance in selected aspects is shown below.

Indicators	2005	2004	2003	2002	2001
Operational cost ratio	29%	51%	50%	83%	-
Cost per unit of money	0.19	0.42	0.63	0.60	-

¹¹ The data relates to October-December Report, 2005

¹² Progress report at a glance as on December, 2005 provided by the microfinance program, RDRS

¹³ Portfolio information report, quarterly progress report, October- December 2005.

¹⁴ Ashrai (an NGO) is working with mostly indigenous people, who are very poor. Ashari does not take savings for loan dispensation. Its FSDP-1 Program supported by SDC (since 1999) is yet attain 100% OSS despite the fact that it has huge client outreach.

lent in Tk					
Service charge income in Tk	1,054,232	578,609	441,785	177,546	4,528
Expenses Trend in Tk	2,647,197	2,210,637	2,184,323	1,530,227	906
Operational Self-sufficiency (OSS)	40%	26%	20%	12%	-
Investment Trend in Tk	9,939,000	4,347,000	3,406,000	2,536,500	502,000
Loan outstanding in Tk	5,972,261	3,617,395	2,923,635	1,843,303	471,813
Savings balance in Tk	3,123,594	1,777,373	1,166,856	573,798	124,142
Loan recovery (Cumulative)	97%	97%	97%	97%	97%
Loan recovery (on – time)	98%	98%	98%	98%	98%

4.6 Impact: demographic, economic and social

The program participants are from very poor households. They are isolated from the mainstream community and have very limited access to product and job markets. With the program intervention their livelihood has improved a bit. Their income has slightly increased due to general loan facility and greatly by land redemption loan (that resulted in increased agricultural crop output). Their outlook has undergone tremendous changes. They are sending their children to schools in increased number and are serious about their upkeep and welfare. They are doing savings and generating income from the loan utilization. They have developed hygienic knowledge and now- a - days consult physicians during illness. The detail impact can be understood from different demographic, economic and social indicators as follows¹⁵:

a. Demographic changes

Sex and family size: Most participants were women in different age groups. They are living in rural areas. The average family size is 6 with 3-4 children in every family. Participants, who were talked to, were mostly women from the very poor segment. They were from Santal and Oraon community.

Literacy: They are overwhelmingly illiterate lacking knowledge in reading and writing. All of them have knowledge of arithmetic. Almost all children of the families are going to schools. But many do not continue after primary level (after class-V). Children's going to has increased dramatically by 70% compared to before joining the program. There are areas where there are no schools. The small children have to have a long hike to attend schools.

¹⁵ These are findings from the PRA and focused group discussion with the members.

Occupations:

Almost all are agricultural laborers. Women are presently poised to work in the houses than going to the fields. Some are already involved in additional income generating activities following training in the project.

Income level: Their income level is very low but has increased a bit in last few years. Some said income has risen by 25%. Family expenditure has also increased considerably. At the same time, the purchasing capacity has also increased. Their access to various healthcares services has increased and spending in healthcare has increased too. Before joining the program, they could hardly have two meals a day but now they can have three meals instead. The quality of food has also upped.

About 26 participants were found who mortgaged their land in the past but could not release them until they got financial assistance from the project. 18 persons (69%) of them released their land. They are cultivating their lands and are no longer required sharing crops. This has thus improved the income level of those households¹⁶.

Economic changes:

Savings: Beneficiaries save at the rate of Tk 5 or Tk 10 every week. Older members have accumulated savings to the tune of Tk 2000-3500. Most members withdrew savings either for consumption or for repayment of loans resulting in low savings balance. The per capita savings is Tk 762. They did not have any savings before joining the program.

Land and other assets:

About 80% members do not have their own cultivable land¹⁷. Six people have vans (a four wheeler) now compared to two in the past (200% increase). 22 households have livestock (cows) now ranging from 1-2 cattle compared to 11 households before joining the program (100% increase). 42 households grow vegetables as opposed to 31 households in the past (35% increase). A few have acquired ponds for fishing.

Loans and its utilization: Before joining the program, a few had taken loans. However ten members were found who were earlier with Grameen Bank and took loan from there. They seemed to be well developed. Currently all members have borrowed from the program. Loans ranged from Tk 1000-15000. Most loans are around Tk 3000-4000. The larger loans are Tk 10,000 (and above in some cases) for land redemption. Loans are generally utilized for which they were taken. Loans were used in cultivation, wheat production, livestock, fertilizer purchase, and land redemption paying to the

¹⁶ A study carried out by RDRS Monitoring Section (January 2006) shows that about 57% members who redeemed lands have increased their income level. This has resulted in meeting rising family expenditure, house repairing, meeting medical costs, children's educational expenses and wearing reasonably good clothes. The same study also reveals that about 32% of the beneficiaries who redeemed lands gave further mortgage of the landed property. The prime reasons are food purchase, meeting healthcare costs, matrimonial of sons and daughters, land purchase and other important family expenditures.

¹⁷ The study of Caritas (2004-05) indicates that 72.18% have no cultivable land and 57.13% families have no homestead land. It also reveals that 45.15% families own land and 54.85% are totally landless.

moneylenders, fish culture in pond, etc. About 36% households were found having loans for land redemption, which is Tk 10,000¹⁸.

Employment/self-employment: In most cases, the women are not productively engaged. The male remain culturally away from work and depend on the wives.

Improvement standards in the livelihood: Their outlook is slowly changing and the standard of life is showing some improvement in thought process, life style, consumption pattern, healthcare for the children and themselves.

Social Changes

General awareness of the all participants has increased than in the past and their attitude is gradually changing. Traditionally, the women have a role in decision making in the households, which has been further strengthened. They now participate in local and national elections. Some also contest in local elections. The women are cautious about early marriage. They have understood the importance of education and are more careful about their children's well being. About 22% households use sanitary latrines as found in the discussions with them. Interestingly 10 households who were members of the grameen bank are all using sanitary latrines. This has been possible due to long membership with the Grameen Bank. They also drink tube-well water. The hygienic knowledge has increased and as a result they love to remain neat and clean. Culturally they are being rejuvenated through staging drama/theater and holding rural workshops. The project has been helpful in protecting and promoting their culture.

They are not habituated doing business going to the market places. However, there are some members who have taken loans and started business by setting up grocery shops. The trained members are doing commercial work. The alcohol addiction is on the wane.

4.7 Going to moneylenders is high

Before joining the program 51 (94%) clients used to go to moneylenders for borrowing money at exorbitant prices. Now though it has declined to 38 (70%), indicating that the clients still continue to go to the moneylenders¹⁹ significantly. Such loans range from Tk 2000-5000 for three to six months. The rate of interest is 10-15% per month. The purpose of going to moneylenders is for meeting the consumption needs like buying essentials like rice, fertilizer for using in cultivation, house repairing, house building and for medical costs. Borrowing is done generally in the months of September-October when there is no work and also they need money during Puja festivals.

¹⁸ An MIS Report of RDRS (July 2005) shows that 523 (13%) members out of 3924 have mortgaged their lands (in more than one plots in most cases). A total of 283 members borrowed land redemption loan wherein 63 members have been fully freed from the moneylenders. 122.95 (31%) acres out of 396.33 were freed.

¹⁹ That the microfinance clients go to moneylenders is not surprising. A study conducted by CDF (2001) showed that 28.57% microfinance clients continued to take loans from the moneylenders at exorbitant prices.

4.8 Cost effectiveness of the programs

The program has brought about some positive benefits. It has developed life skills through different training and brought in greater awareness in health & hygiene, water & sanitation, human rights, voting in elections and children education. They developed knowledge in identifying social problems that retard their progress. They have also learned how to increase their income by undertaking various income generating activities. The land redemption program has been a landmark initiative to raise the income.

4.9 Project Staff's Capacity

A total of 27 staff was recruited against a target of 27 having preponderance of Adibashi staff. Different Staff have received 71 training. They are largely experienced with 1-5 years and have had in-house training. Besides, there are 54 volunteers that include 10 for adolescents and adult education programs and 10 not regular. All volunteers are from Adibashi community.

5.0 Governance²⁰ of RDRS

RDRS is registered in Trusts Act 1862 (since 1997). It has a 7- member Trustee Board consisting of a chair, a member secretary, a treasurer and four members. Executive Director is the member secretary. The members come from reputed organizations and are quite known in the development arena. Two meetings each year is constitutionally mandated but generally 3-4 meetings are held. There is a management committee – the policy making body. The committee consists of the executive director, operational directors (three) and two staff representative. The committee is reconstituted every three years.

The management committee is vested with framing rules and the Board of Trustees approves major policies decisions. Meetings are need-based. The management committee does not go to the Trustee Board for every decision-making. The Trustee Board approves annual budgets and development strategy. There is a general policy (program and organization), disaster management policy and training policy.

Staffs are provided with contributory provident Fund @ 10% of basic. There are two festival bonuses. Medical allowances are available at flat rate. RDRS is planning to introduce retirement policy with varying benefits based on 10, 15 and 20 years of service. Overtime is available for certain category staff viz. drivers. Maternity leave is available for four months and paternity leave for seven days subject to both husband and wife work in RDRS. Children care allowance to the mother is allowed for 6 months after coming from maternity leave.

6. Conclusions and Recommendations

Conclusions

1. Targeting the clients fairly done

Selection of beneficiaries was judicious as they are indeed very poor people and was, therefore, fairly targeted.

²⁰ The detail of governance of RDRS was elaborated by Director (Social empowerment) and Director (Microfinance) in a meeting with the team.

2. Education programs

Both adult and adolescent education programs (newly incorporated) were found contributing to the greater awareness of the indigenous people. They are now well aware of their problems and can ably search for their solutions. These programs are also sensitizing them to undertake income-generating activities. The enrollment of learners was quite satisfactory. Care of children, monitoring/supervision and motivation have contributed to this success.

3. Children education

Initially there was no target of students up to class V- basic primary course. After third year, it was learnt that Stromme Foundation changed the strategy and had fixed up to class-II. RDRS arranged admission of 295 students in the primary government primary schools (mainstreaming) in class II and I in 2005. Now classes are being held in pre-I, class-I and II. The schools are running smoothly. There have been minor cases of dropout. There are places in the program areas where the government primary schools are far away. Now it is time to think where these students will go afterwards. This is a challenging issue that calls for cogitation. The enrollment of learners was exceedingly satisfactory.

4. Cultural activities

There has been a positive impact of the cultural activities among the students. They are learning their own language along with Bengali language. The cultural activities are helping the members to bring about awareness and removing all social taboos.

5. Training Program

RDRS put a lot of stress on training for building competence and capacity of the members. This included training on cultural development by staging theaters, folk cultural programs and conducting rural workshop. All the training are deemed very useful but should be prioritized. The results showed that in most cases, the target could not be achieved. Again, compared to the total members, the number of trained population was not significant. Many participants demanded training for accessing to new production methods.

Following training, some were engaged in commercial activity. In this context, raw materials are provided to the beneficiaries by RDRS. Marketing is also done by it. There is no organized marketing yet. Products are mostly sold on retailing basis. To boost up production and sales and make them economically brisk, RDRS can set up marketing outlets in Dhaka or establish marketing linkages with other organizations.

6. Sanitation

Sanitation is a major problem. Most households do not have sanitary latrines. This is partly due to cultural problem and lack of space as well as money. Strong motivation and financial support are imperative to improve this situation. Overnight solution is an uphill task.

7. Housing

Most houses are mud built with thatched roofs and generally without any windows. Houses remain dark, as light cannot enter. People are living in dismal conditions.

8. Moneylenders

Significant number of members still goes to moneylenders for borrowing money at exorbitant prices. This may also mean that the credit support they get does not match with their requirements. They can be provided with short-term financial support, in addition to the general loan in order to help overcome the immediate financial needs for which they rush to moneylenders.

9. Microfinance program

The management could immediately think of launching one short-term loan for 3-6 months as emergency loan so that they do not go to the moneylenders for borrowing at exorbitant cost. The general loan size is small that could be stepped up to meet their needs. The land redemption loan has been very useful and effective in poverty reduction and the process should be continued to cover those who are still not addressed. Savings of the members are kept in the bank. The money could be utilized by giving loans to the members. Most members have a low savings balance, which is Tk 762 on an average. They should be encouraged to make more savings to build their economic security. The credit methodology should have been more flexible with a variety of options as to savings mode and loan repayment. It is a kind of rigid system for the very poor.

The credit program is performing generally well as manifest in the loan recovery of 97%. The portfolio at risk is higher that needs to be contained. The staff productivity is low in the group methodology. The rate of loans due is quite higher and thus a cause of concern. Operational Self-sufficiency (OSS) is still a far cry due to increased cost of operations, low loan absorption capacity and low outreach of clients. Use of savings as loans could bolster OSS. The microfinance program has to be managed well with more efforts. RDRS has the ability to overcome the problems of portfolio at risk and the sustainability with its management competence.

Rate of interest 12.5% for general loan has been considered high by the borrowers. In fact, it is high for the very poor considering the status in the industry. The lending rate of the Stromme Foundation (being 7%) is definitely high for such difficult programs. RDRS needs increased support to continue such programs. The current rate of interest could be considered reasonable for mainstream microfinance. For the very poor, PKSf provides at 1% to its partner organizations who then onlends at 9% flat system. Stromme Foundation should review its interest rate policy in this context.

10. Impact

Participants' coverage was done yearly in a span of five years. Hence impact can be seen in the groups with age 3, 4 and 5 years. Effectively, the five-year project is a three-year project. The impact thus will not be found uniform and must have varied in terms of age. The project has impacted positively in demographic, economic and social aspects.

Income has risen slightly though, it has also built up a good amount of savings. Greater awareness has been created among them.

11. RDRS Governance

RDRS's governance is generally sound and effective. The greater weakness is that it is not reportable and accountable to anybody being a Trust. The management is sincere, dedicated and has the urge of performing with professionalism and seemed to work with a development zeal and probity.

The project has been managed, by and large, smoothly and effectively. Staff turnover was high (field workers and the supervisors who are indigenous people). It is understood that they could not adjust with credit culture as the job demands applying pressure to collect dues from the borrowers. Turnover has been 50% in 5 years. The project seems to have huge small activities. In future, RDRS should not undertake too many activities in the project that would become difficult to manage effectively.

12. Stromme's Role

New activities like adolescents/adults program have been introduced. Chopping and changing in RDRS plan by the Stromme Foundation continued almost every year. This is tantamount to interference in the project design on the mid way in carrying out the implementation of the programs. All the parties should have consensus on the program design and the cost. Programs and budget should be decided for a definite period at the beginning. Stromme's representatives and the RDRS should put in joint efforts in developing future projects accordingly.

13. Overall

Overall the program has begun to yield positive impact on the lives of the poor. Stromme Foundation should provide sustained support for at least another five years to achieve the goal of the project. The microfinance program is not to cause any concern. Stromme's general loan for extreme poor is costly. RDRS should pursue prudent financial management and tap better sources of funds. It would be appropriate not to take any Stromme's loan fund from for general microfinance operations at the prevailing rate of interest. Rather it would be wise to approach PKSF for this program as RDRS is already accessing PKSF cheap fund for extreme poor. Careful attention should be taken to provide loans so that the members are not overburdened with debt. The components of the program particularly education and microfinance along with training component have been useful and relevant for such a backward community. The education program for adult and adolescents helped them in identifying the burning social problems, chalking out their own action plans that include use of sanitary latrine, hygienic practices and avoiding alcoholism, etc. The children education with nutritional support has been immensely helpful for the community. They are building new hopes for the sustained educational development. The programs produced social and economic benefits for the target population. The people have accepted the program. The level of general awareness has considerably increased.

Recommendations

Overall

All the components of the program can continue while some new ones may be explored as under.

1. Adult and Adolescent Education: Adolescents and adult education program should be continued. The adolescents should be provided with hands-on training to promote skills for livelihood. They may be provided with factoring support if they can get valid orders for supply. Some funds may be earmarked by RDRS/Stromme Foundation for this purpose.

2. Children Education: Children's education program should be continued and may be further expanded. This program should be looked at future investment. They would be basically the engine of poverty reduction.

3. Cultural activities: Cultural activities should be continued and steps should be taken to air such programs in the Television.

4. Beneficiaries training: Training component should be further strengthened. Sectoral training program should be undertaken on poultry, livestock, vegetable gardening, handicrafts, handlooms and sewing/embroidery.

5. Developing marketing linkage: RDRS should be assisted in establishing a local marketing a network to link the Adibashi producers in Dhaka and other cities to promote sales of the products.

6. Microfinance: Microfinance program has to be run very cautiously and prudently. Voluntary savings product can be introduced. A short-term petty loan for Tk 2000-3000 can be thought of for a period of 3-6 months with a flexible repayment schedule in order to prevent them from going to moneylenders. Sanitation loans could be introduced.

7. Housing loans: Hygienic houses are needed. Housing loans should be introduced with much concessional interest rate on long term basis say 8-10 years. It would be most appropriate if some fund like the land redemption is created for housing purposes.

8. Land redemption loan: Land redemption program should be further strengthened and continued.

9. Interest Rate of wholesaling: The ethnical minorities like the indigenous population should be supported with grants. Candidly, Stromme Foundation should provide grants for microfinance operations. However, if there is any policy problem, funds may be provided at maximum of 1-3% rate of interest instead of current 7% in order to build surplus and accelerate self-sufficiency. However, RDRS should try to tap PKSf cheaper fund.

Annex-1**REFERENCES**

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3. Mid-term Evaluation, February 2004, Dr Sanauul Mostofa and Khalilur Rahman
4. Annual Project reports 2001, 2002, 2003 and 2004, NORAD Department for Non-Government Organizations.
5. NORAD – Department for Non-government organizations application for support to the existing project, year 20004-08.
6. Promoting Income/employment Diversification among tribal families (August2004), Adwyiat Roy.

Terms of Reference (ToR)

Annex-2

Final Evaluation of the Project-314014 Empowering Disadvantaged Tribal Poor in Northwest Bangladesh

1. Introduction

Stromme Foundation (SF) of Norway has been a development partner of RDRS Bangladesh for nearly a decade. SF had supported the core program of RDRS including the Char Development Project for 6 years (1995 – 2000). At present SF has been partnering a special project with RDRS aimed at empowering the disadvantaged indigenous/tribal poor in Northwest Bangladesh. The project started in January 2001.

In the northwest, the existence of indigenous/tribal poor and their increasing marginalisation has been a potentially deserving issue neglected by the government and the society at large for many years. These tribal poor are especially disadvantaged and their development needs have not yet been fully integrated into the mainstream development program of the NGOs. Social isolation, lack of economic opportunities, bad traditions, exploitation as well as human rights violation has been the major factors affecting their livelihoods. Their socio-economic and political deprivations call attention of the development actors including government for promoting development-empowerment of the indigenous/tribal communities in northwest Bangladesh.

2. Justification

RDRS Bangladesh, operating since 1972, is a non-governmental development organization (NGO) implementing development projects promoting skills, awareness, capacities, confidence and technologies designed to raise the living standards of specially disadvantaged and rural poor in Northwest Bangladesh. On the other hand, Stromme Foundation (SF), a Norwegian NGO has been actively supporting RDRS and its development program for a number of years.

RDRS has assumed as part of the development mandate under its current strategic plan (2001-2005), responsibility to integrate and support specially disadvantaged population including the indigenous population within its working area. RDRS with support from Stromme Foundation (SF) has therefore launched the project 'Empowering Disadvantaged Tribal Poor in Northwest Bangladesh' to contribute to the uplift of the marginalized indigenous/tribal community in three northern districts. At the end of 5-year implementation of the project, it is necessary to review the project in order to continue the journey in a more efficient and meaningful way.

3. Overall Objective

The overall objective of the evaluation is to:

- To assess the physical progress of the project and at the same time changes that have taken place in the lives of the target participants due to the project intervention.
- The evaluation will also focus on the impact that the project has created on the people and the area.
- To review changes in the community based people's institutions and their capacity to sustain the efforts of the project.
- To assess the significant changes in the economic and social life and the role of the women.
- Impact of the education component in terms of quality, enrolment and drop-out rate and mainstreaming of children for further education.
- To identify the problems and weakness if any, in project design, implementation and utilization of resources and suggest/recommend changes in the program implementation strategy for future intervention.

4. Specific Objectives

The specific objectives of the project are as follows:

- A general assessment of the program and its objectives. Its relevance for and to the extent possible, its impact to the target people and the local community.
- Assessment of the cost-effectiveness of the program.
- Appraise the level of awareness of the project participants and the local community at large
- Assess the outcome of children, adolescent and adult education component of the project.
- Evaluate the results and possible impact of land redemption credit offered to the community
- Review the micro credit component and appraise its impact in relation to the following indicators:
 - i) Overall improvement in livelihood quality of the tribal families
 - ii) Income and employment generation/diversification opportunity
 - iii) Empowerment of tribal women for decision making at family level
 - iv) Suitability of the loan products to meet their choice and requirements
 - v) Acceptance of MF by the community in terms of policy, modality and accessibility
- Assessment of the sustainability of the program regarding strategy and plan.
- Assessment of the program administration and of the system is used.
- Assessment of the organization, staffing and management and its capacity to implement the program.
- Any other issues considered relevant for the evaluation.

5. Methodology and focus

The evaluation will mostly follow participatory review process focusing on the grassroots. The basic data collection approach will include field visits, focus group discussions, meeting local elite including UP leaders/ members and review of project documents. The evaluation team will also discuss with the senior management of RDRS as part of data collection process. The evaluation will focus on, among others, the following parameters:

Management perspective

- The overall design and strategy adopted for the project
- Practical limitations affecting implementation
- How the special vulnerabilities have been addressed
- Management of the project and capacity gap
- Gender perspective and policy deviation

Program perspective

- Institutional and leadership development/growth
- Social awareness at grassroots and community level
- Economic opportunities and involvement promoted
- Influence on the elimination of bad traditions and superstition
- The overall influence and impact of the Education Program
- Basic rights and exclusion of the marginalized community

6. Organisation of the work

Stromme Foundation (SF) will identify and engage, in consultation with RDRS, a Team Leader as resource person to lead the evaluation team while RDRS will select and nominate relevant staff from the project (preferably project coordinator) to join and work with the team. Specific dates for commencement of the evaluation including schedule for field visits, data collection etc would be finalized by SF in consultation with RDRS and the team leader. RDRS will make all project-related documents and data available to the team as required, and facilitate necessary field-works of the evaluation team on the ground. Terms and conditions for engagement of the resource person and overall budget for the evaluation will be decided and administered by Stromme Foundation (SF)

7. Tasks of the Team Leader

The Team Leader is expected to perform the following tasks:

- Elaborate and detail out the evaluation plan including data collection and modality in relation to the purposes and outputs set for the evaluation

- Study the project documents to develop understanding on the project design, modalities, interventions, outputs and limitations so that the out-come of the evaluation forms a basis for improvement
- Define sample frame, data collection modality, issues and areas to be looked into during evaluation and finalize the evaluation parameters in consultation with Stromme Foundation and RDRS.
- Make field visits, organize discussions with project participants and staff, collect information on project activities, constraints, success and failures and on other review parameters.
- Make necessary analysis of the observations made and data collected from the field and present the evaluation findings including recommendations in a report. Outline of the report needs to be discussed in advance.
- Make a brief presentation (instead of circulating a draft report and asking for comment) on the findings of evaluation to and get feedback from RDRS senior management at Rangpur before departing the field and finalizing report.

8. Expected outcome

1. The review will help identify the weak areas to be improved for future operation of the project. It will also indicate with justification need for changing priority, interventions of modality if necessary
2. The evaluation will help figure out major achievements/impact and inherent potentials of the project that can be optimally used and multiplied to produce bigger impact towards improving the livelihood of the indigenous population in northwest in near future
3. Evaluation report will be produced with analysis of the qualitative and quantitative data generated during the course of the evaluation. The report will attempt to cover all the objectives included in the evaluation proposal.
4. A set of recommendations will be available to both RDRS and Stromme Foundation regarding improvement of the project and will form a basis for necessary reorientation to the project staff in line with the accepted recommendations and agreed changes for future action
5. The evaluation will also help develop some information and analysis on theoretical understanding and practical implications of development interventions applied for empowerment of the tribal communities in northwest.

9. Time-frame

The review will be completed with final report by 10 working days including travel. It will tentatively take place during December, 2005. Actual time to be needed for completion of the evaluation would be mutually decided by the Team Leader and Stromme Foundation (SF).

Empowering Disadvantaged Tribal in Northern Bangladesh Comments from RDRS on the final evaluation report

The evaluation has been a timely effort to refocus and reenergize the project on the right track. RDRS does not differ fully from the views expressed by the consultant nor disagree with the immediate follow-up comments offered by Stromme Foundation (Dhaka Office). However, some propositions still need further discussions and we hope the scope is there. It is always safe to be evolutionary rather than revolutionary. Therefore, RDRS's preference is for incremental change when there is need for adjustment.

Stromme Foundation's supports and the consultant's effort in designing and conducting the evaluation deserve appreciation. RDRS has been apparently benefited out of this evaluation in a number of ways. It gave a quick and neutral assessment of the good and difficult achievements of the project while constraints and future challenges were also indicated. Design and execution of the evaluation was quite participatory with some time limitations. It would have been more efficient if the findings and major outcome of the evaluation including recommendations have had presented and validated in a joint workshop by the consultant before being finalized and presented in the form of a draft report.

RDRS wants to make use of its past experience and confidence to continue the Adult and Adolescent education. Future expansion and coverage will depend on availability of resources from SF. RDRS agrees to continue skill training only for the economically viable (marketable) trades with special focus on tribal women to promote their occupational diversification. New occupation can improve their dignity and save the disadvantaged women from being exploited and abused under present employment dependency.

Children education has been appraised to be one of the important inputs to improve the livelihood of the tribal children. To improve human rights situation there is no alternative to education. The project has been implementing children education program since 2001 and enrolled 941 children in deferent classes until 2005. Initial plan was to support the learners up to grade-V but the change (to support up to grade-II) has been jointly agreed in 2003 to incorporate mainstreaming of the children, which we considered appropriate. The drop out rate on an average was 6%. The issue of ensuring access to mainstream schools has been further emphasized as our common understanding of rights to education. RDRS plans to expand children education programme in new areas in the coming years to multiply the benefits for those still excluded in other areas. The programme will be initiated in Rangpur district and other neighboring sub-districts of Dinajpur district in 2006 on ward.

Cultural activities to influence social mobilization and promote mass awareness will continue subject to availability of project fund. According to given frame work of

funding, use of television as mass media would be too expensive (not affordable). Alternatively, RDRS will make an effort to increase coverage and intensity of social mobilisation through the use of rural cinema show (using mobile cinema unit).

The role of SF (despite limited man power) in guiding the project during the initial (piloting) phase needs to be viewed positively rather than too much interference in regular planning of the project. Until 2005, all the initiatives and tasks planned and implemented produced lot of essential experiences. The experiences will be used as important ingredients for future strategies. RDRS recognizes the importance of long-term strategic plan based on past experiences and look for longer accompaniment for a sustainable change.

The policy for the MF program agreed between RDRS and SF seems to have problems in meeting the demands from both SF and RDRS. The consultant's recommendation (which perhaps represents Stromme Foundation's desire too) to make the MF programme flexible can be accepted only to the extent of RDRS's global microfinance policy. Charging lower interest rate 9.5% (instead of 12.5%) can be accepted and implemented if the 2.5% interest margin + management cost provided by SF covers the total operational cost of the credit programme. If it is strategically important for SF to charge 7% interest on fund provided to RDRS, then management cost provided by SF must be increased. Since there is no scope to make compromise on financial viability from either side, the proposed microfinance framework, however, needs to be recalculated before coming to any conclusion.

The conclusion of the consultant about RDRS governance where it said "the greater weakness is that it is not reportable and accountable to anybody being a Trust" – is not clearly understood. RDRS, like any other NGO is bound by the law of the country without any exception. The Board of Trustee is to approve globally all plans and activities including budget and make sure that RDRS follows the rules of business (its own constitution) in compliance with relevant law of the country. As a trust it is also accountable to the appropriate government authority that has authorized formation of the trust and empowered the trust to act on behalf of the government authority.

The evaluation/review of the project is largely skewed to the physical performance of the project and detailed analysis on the outcome/problems has been constrained because of time constraints. In-depth analysis on some of the observations would have been useful but perhaps could not be included by the consultant in the present evaluation for practical limitations. While we agree with many observations, we don't decline to argue with confidence with the consultant about a few conclusions put in the final report. Apart from time constraint and limitation in reaching a consensus on the possible outcome and content of the evaluation, the report is considered to be useful at this point in time for a number of practical reasons as follow:

- Appraised by an independent neutral person
- Looked at things done well and not very well
- Indicates both future prospects and challenges

- Also talked about some avoidable mistakes
- Identified some potential areas for improvement

RDRS will show due respect to the conclusions and recommendations offered by the consultant and take those for implementation (indicated in the table below) that will address future needs of the participants and will meet our capacity to do so.

Recommendations	RDRS stand	Remarks
• Adult and Adolescent education should continue	Agreed	Later part of the recommendation is not clear (factoring support, fund to be earmarked by RDRS/SF)
• Children Education should continue	Agreed	Will be expanded to new areas from 2006 onward
• Cultural Activities should continue and take space in Television	Partially agreed	Use of television is too expensive. Alternatively use of rural cinema show will be explored
• Beneficiary training should be strengthened. Sectoral training (more diversity) should be introduced	Agreed to continue but with selected diversity	Only marketable skills (economically viable) will be taken into consideration with focus on women
• RDRS should establish marketing lineage/outlet/network to support tribal producers with market access	Agreed	Efforts like participating in national exhibition, exploring sales centre, market exploration through partners etc already initiated
• Flexible repayment schedule, short-term petty loan, Sanitation loan should be introduced	Partially agreed	Short-term petty loan for 3-6 months can be considered if fund is available at lower interest rate
• Housing loan provision (8-10 years basis) with much lower interest rate should be created	Agreed subject to availability of fund	Not yet sure about the feasibility of creating such a fund. Moreover, RDRS's experience with housing loan in the past was not good
• Land redemption loan should be further strengthened and continued	Agreed	The coverage will increase in the new areas from 2006 onward. Further mortgaging is identified and will be investigated
• SF should provide MF fund at maximum 1-3% otherwise tap cheaper fund	Agreed	Rate of interest in wholesaling credit fund should be compared (3% vs 7%) in conjunction with management cost

FINAL EVALUATION – RDRS TRIBAL PROJECT (314014)
COMMENTS FROM SF ON THE FINAL EVALUATION REPORT
Date: 26 April 2006

Mr. S. M. Rahman
 Consultant

Dear Mr. Rahman:

Further to our email this morning please find our immediate comments on the Final Draft of the evaluation report on RDRS Tribal Development Project:

1. The limitation in evaluation process

Thank you for your sincere comments. We would have taken a different strategy if you had provided us this opinion at the onset after receiving the TOR. It will guide us in our future evaluation planning.

2. SF interest rate:

SF wishes to maintain a single interest rate of 7% and adjust it according to prevailing rate of interest. We infuse grant support for Microfinance management when a project is directed to hardcore poor. This allows partners to charge a lower rate of interest and negotiate with SF what supplementary fund they require. We have provided MF management grant (in addition to education grant) to RDRS each year as follows:

Year	Credit Fund	MF Mgmt Grant	Education Grant
2001	17,00,000	34,28,000	
2002	9,00,000	20,79,600	24,20,300
2003	7,00,000	27,10,200	17,97,800
2004	34,40,000	20,00,000	35,00,000
2005	60,00,000	15,00,000	35,00,000

You may have missed to notice the payment of MF management grant in your review. Also, interest rate was 3% in 2001 and 2002 and it was increased to 7% in 2003. I wish you had calculated our MF Management support against the interest cost of Revolving fund provided by SF then you would not suggest RDRS borrowing from PKSf on 1% minus MF management grant.

You will also note the trend of support starting from 2003 the amount of credit increased and the support for management cost was gradually reduced. These are all SF plan to build capacity of our partner as well as the participant. You may note the success by the recovery rate of 96-97% in 2005. However, where necessary we have infused fund as grant such as for the land redemption fund; it has been given as grant to RDRS to create an endowment fund so that they can continue the program even if SF support is withdrawn.

Further, you did not consider that the project is aimed to specific community who live in a large geographic area where normal microfinance practices such as coverage per credit staff could not be same as in a normal MF project. SF understands this situation and therefore provides a grant for MF management. But we are challenging RDRS and they have improved significantly in this area (could be found in a yearly comparison) by improvising MF coverage by their mainstream credit staff.

3. Children education up to Class II

It would be interesting to see what percentage of the graduates from class II are admitted into class III in primary schools. We feel sooner the children are mixed with the mainstream people it is better for the children to adjust and accept each other. It is also should be viewed that having more NFPE centers close by is better for the children than having primary schools away from home.

4. Training:

Statistic on number of training and percent of training conducted should have been replaced by information of impact thereof, i.e. level of understanding of training and their use in life. You have cited impact of mat weaving training but it would be interesting and educative to see how many are now employed against number of people trained, etc.

5. Too many activities:

The project was aimed at the “specially disadvantaged population” as you have mentioned in the report. Therefore it could be conceivable that the participants needed support from different angles and this being a new project needed to be corrected by trial and error. You also have recommended about 8 different intervention points in your report! This could have been limited to fewer numbers as you thought appropriate.

5. Strømme Foundation Role (interference in the project)

Several changes were brought in to the project interventions through study and review of the progress of the project. The report mentions that several intervention areas had tremendous success and had a positive impact on the community, such as (1) Adolescent and adult education, (2) cultural regeneration and (3) land redemption program. These were recommendations from Strømme Foundation. Again, you have suggested that the project provides sectoral training on different skill, also, to include IGA training for the adolescent. Incidentally, we are negotiating with RDRS on these two issues! Therefore well thought ideas are not always detrimental. The project was at its pilot phase and both SF and RDRS needed to learn what best could be achieved by the limited resources.

These are my observations from your report. Please let me check if Mr. Nimal Martinus and RDRS have any comments.

With best regards.

Joel S. Das
SF Dhaka