

Mid-term Evaluation

(Period: January 2002 to November 2005)

Flood Protected Housing and Income Generation Activities (FPH-IGA) Project: Phase- II

December 2005

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I. ABBREVIATION AND ACRONYMS

BDT	Bangladesh Taka
CA	Credit Assistant
EC	Executive Committee
ED	Executive Director
FGD	Focus Group Discussion
IGA	Income Generation Activities
NGO	Non-Government Organization
PEP	Poverty Emancipation Project
RLF	Revolving Loan Fund
SDWT	Social Development Worker
SF	Stromme Foundation
SPM	Senior Program Manager
TOR	Terms of Reference
UP	Union Parishad
VARD	Voluntary Association for Rural Development
✓	achieved
⇓	not achieved
⇑	needs improvement

II. ACKNOWLEDGEMENT

The evaluation team would like to convey thanks and gratitude to the concerned community people in the project area, especially to women respondents, school children and other stakeholders at the village level who have showed their utmost patience and have spared their time.

It should be mentioned that courage and dedication of the beneficiaries should be deemed as the main ingredients and yeast to make the project a success. Therefore, their candid and sincere support and co-operation have enabled us to get into the depth of the information. The information has gleaned, culled and used in this report is the outcome of the heartiest cooperation and openness of the beneficiaries in providing information.

The team would like to express thanks and gratitude to the Credit Assistants, Social Development Trainer and the Area manager for extending cooperation in organizing fieldworks, workshop, disseminating information and sharing experiences, which lead the team in enriching the evaluation work.

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Special thanks are due to Mr. Amranul Hoque Kamal, Executive Director for his contribution to make this evaluation work a success. His involvement in managing this evaluation work process has made the evaluation team members easy to implement evaluation work at field and at office.

Finally, we gratefully acknowledge the support has been provided by Mr. Joel Das, Program Monitoring Coordinator, Stromme Foundation. His support and suggestions lent strength to us to carry out the evaluation assignment.

III. A GLIMPSE OF PROJECT STATUS

FPH-IGA Project Phase II

A GLIMPSE

Project Name	: Flood Protected Housing and Income generation Activities (FPH-IGA) Phase II		
Geographic Area (Location) (as at 2005)	: District : Sylhet	Upazila : Goainghat	
	: District : Moulavibazar	Upazila : Kamalgonj	
	: District : Comilla	Upazila : Chouddagram	
		: Chandina	
Supported By (Name of Support Office)	: Stromme Foundation		
Project Lifetime	: Five Years: January 2002 to December 2006		
Project Phase	: II		
Project Budget	: Year- 1 (2002) : Taka 4,759,096		
	Year- 2 (2003) : Taka 7,229,194		
	Year- 3 (2004) : Taka 6,892,000		
	Year- 4 (2005) : Taka 9,762,820		
	<hr/> 28,643,110		
Total # of Union covered (as at 2005)	: 20		
Total # of village covered (as at 2005)	: 118		
Total # of Group Organized (as at 2005)	: 182		
Total # of Group members (as at 2005)	: 2,932		
Total Staff (as at 2005)	: 26 (Female-7, Male-19)		
Total # of School Established	: 1		

IV. EXECUTIVE SUMMARY

Introduction

Flood Protected Housing and Income Generation Activities phase-II (FPH-IGA Phase-II)" has been initiated by VARD from January 2002 with financial support from Stromme Foundation (SF) for a period of five years. This project is going to be ended in December 2006. As part of overall project management, SF and VARD authority have decided to execute a mid-term evaluation in December 2005 by an independent development consultant. The assigned consultant along with other evaluation team member has conducted a study in the project area and collected related data/ information. On the basis of findings from field, the evaluation team has prepared this report. In this section major findings and recommendations are described briefly. Elaborate descriptions are furnished in next chapters of this report.

Major Findings

Reaching the Poorest segment of the community: Target people and groups

✓ The FPH-IGA- II Project has been designed to address the poor people (here as called by 'Target people') in the community in order to develop their socio-economic condition. As per strategy of the project management VARD has organized target people in 'group' at village level.

✓ It is found that among the total 2,932 target people under the Project Phase-II, a total of 1,213(42%) has been phased out from Project Phase- I and have joined in Project Phase- II (Table- 1). Rest 1,719(58%) have newly joined as target group member in this period.

↑ Group members who have joined newly in Project Phase- II are comparatively poor in relation to the group members who phased out from Phase- I and joined in Phase- II. It has been found that some of the group member's family has arable land of ranging 1.80 acre to 7.5 acre. It appears that some people from well-off families have been selected as group members.

Group Status

↑ Till October 2005, a total of 182 village level groups have been formed in 118 villages. Total group members stands at 2,932, and all are women. Average size of a group stands at 16. However, in the field it has been found that in some groups there are only 7 or 8 members in each group.

↓ Though there is a provision to organize 'issue-based' meeting once a month, but the meeting is held irregularly and discussions on social, human rights issues are rarely taken place. It has been also found that most of the Credit Assistants are new and not in a position to discuss /analyze social issues, proficiently.

Education

✓ In the project area VARD has established a private primary school with project fund received from Stromme Foundation. This school covers 2-3 surrounding villages from where a total of 147 children from poor families have got opportunity to continue their education. Among 147 students, 77(52%) are girls and 70(48%) are boys. Gender segregation of students appears to be appropriately made.

✓ A seven members' management Committee has been formed to manage school activities as a whole. Each of the management committee members reserves the right of ensuring quality education in order to establish it as a model school in this area. Committee members are proud of developing such school.

↑ Considering the needs of the people, it appears that running this type of private primary school in such remote area is very much appreciated by the community people. As per study findings, more school of this type is needed to be established, where needed, in order to ensure education of the children from distressed families in this area. To attain sustainability, it is needed to ensure affiliation of this school with government education department.

✓ As per field findings, averagely 90% of the school-going aged children under the group members' families are enrolled in the schools in a regular way. It has been targeted earlier to cover 80% children.

Micro-finance

↑ Total amount of loan disbursement has been Tk. 4,257,000 in the year 2004. In the year 2005 (up to October) there has been an increase of loan disbursement by almost 89% than the amount disbursed in

2004. As in October 2005, total number of borrowers with outstanding loan stands at 1,171, which represents 40% of the total group members at that time. This refers to the fact that there are scopes to cover more group members under micro-finance program in this area.

↑ ‘On-time’ loan repayment rate stands at 99.28% in the year 2002. In 2003 it has been 94.96%; in 2004 it further has come down to 92.59%, and in the year 2005 the rate has been a bit increased to 94.19%. In order to gain financial sustainability, this status is not favourable.

Income Generating Activities

✓ Group members, especially the women who have graduated from FPH-IGA Phase-I and joined in Phase- II are more capable to run enterprises of their own than those of the new members under Phase- II.

↑ In some cases there has been no major diversity in IGAs. Same types of IGAs have been running from years to years. Major activities among those are as- running ‘saloon’, ‘grocery shop’, ‘small business.

↓ Regarding IGA training for group members, it is found that training courses has been designed ineffectually. As per field findings it has been observed that those who have received poultry training have been actually involved in running saloon shop or involved in small business /trades.

Effects and Changes happened

✓ Major changes as perceived by the women are: 1) Increased movement outside the home boundary; 2) Increased children education in poor families; 3) Have liquid money always in hand; 4) Increased social acceptance; 5) Reduced money lending by poor people from traditional moneylenders on high interest rates.

Project Management

↑ The Executive Director (ED), as Chief Executive of the organization is the overall responsible authority for the project. Under him the Senior Program Manager (SPM) has been assigned as to supervise the project activities. The SPM is partly paid from this project fund. He is a senior level staff and quite competent in managing development program including micro-finance and education. It has been found that he has lots of other multi-dimensional works under other projects as well, and sometimes it becomes tough for him to maintain time and to provide necessary support in the field in case of any emergency.

↓ Credit Assistants (CAs) are the core development workers at the grass root level to make the project a great success. At present there are 13 CAs. Each of them has assigned jobs to accomplish. It has been found that almost all the CAs are newly appointed under this project (less than 1 year to 2 years). There is none who has been with this project from the beginning (i.e., from January 2002). It has been revealed that the new CAs are not well aware on social and other related issues.

Financial management

✓ Forecasting budget, periodical income and expenditure and fund movements are the vital elements of financial management. In light of the above facts, the project management prepares the budget for its annual expenditure with a detailed breakdown of expenditures and sources of funds. In this case Stromme Foundation Dhaka office has extended assistance to VARD management to maintain right track in controlling financial transactions. The team has observed that the budget for development project supported by donor has been prepared with meticulous details as well as with reflection of the priorities in accordance with program needs.

✓ Analysis of the budget allocation against particular development interventions of the last four years shows that highest allocation (79%) has been made against micro-finance program.

Sustainability Issues

↑ Sustainability is a complex and intricate issue and involves critical analysis. It appears that VARD is advancing forward towards gaining organizational sustainability. However, it has been observed that VARD has not yet developed long-term strategic plan to achieving sustainability.

✓ Some activities are economically viable (micro-finance), socially acceptable and environmentally sustainable. The concept of sustainability in this project should be conceived within a broader perspective and framework. For example, building flood protected house (with grant fund) might not be

sustainable from the economic point of view, but propagation and dissemination of this concept would have sustainable elements to continue.

↑ *Major Challenges as identified by the staffs*

1. Ensuring 'Empowerment' of the poor people, especially of the women in this remote area.
2. Strengthening and institutionalization of village groups.
3. Running viable enterprises and ensuring employment of the women

Major Recommendations

- 1) It is important to scrutiny the applicants' socio-economic profile before finalizing her/his membership under a group in order to avoid entry of comparatively well-off people, and thus it could be possible to cover more poor people under a development project.
- 2) Existing Village groups with members below 10 in each group needs to be reviewed and re-arranged. Standard size of a group should be averagely with 20 members.
- 3) As opined by the group members, it is needed to provide more intensive training on social development and human right issues, both for staffs and for the group members.
- 4) It is necessary to further develop the school teacher's skill through imparting modular training course to ensure qualitative education for the children in the VARD-managed primary school.
- 5) Number of credit officer for each branch need to increase up to 5 who should be supervise 300 members (30 members per group and 10 groups per credit officer). That would mean 1,500 members per branch and 6,000 members under its four branches.
- 6) Savings mobilization must increase through different efforts and the percentage between savings and loan portfolio should be 30-40. Savings mobilizations also help VARD to reduce the donor dependency in the microfinance operation.
- 7) Arrear rate and portfolio at risk of FPG IGA project is high considering the best practice and industry context. Arrear rate should be within 2%, which is now 5.39% and the portfolio at risk should be less than 5%, which is now 11.87%.
- 8) To make the program viable VARD must increase member to credit officer ratio to 300 if not more and maintain member to borrower ration more than 85%.
- 9) It has been experienced that there exist more potential scopes to run diversified IGAs /enterprises. These need to be identified and necessary support services (both software and hardware) to group members should be extended as such.
- 10) Management needs to rearrange /extend program areas concerning the cost-effectiveness and sustainability issue. Program activities should be concentrated in specific area instead of spread out the activities sporadically, in different scattered areas.
- 11) Duration of Foundation Training to a new staff should be increased (standard- 7 days) in order to develop in-depth knowledge of the staffs on basic organizational development and socio-economic development issues.
- 12) Social development and human right based training courses should be provided to CAs. Regular follow-up and refreshers course should be ensured in this regard.
- 13) Action Plan needs to be developed and updated not only at central level, but it should be obtainable at area office level as well.
- 14) The team hereby stresses the importance of active involvement of the target population in planning, implementation, monitoring and evaluation of development project.
- 15) Impact monitoring and internal assessment systems, especially in relation to the sustainability issues, need more attention in the next implementation phase.

1. BACKGROUND

VARD has been implementing a five-year long Project titled by “Flood Protected Housing and Income Generation Activities phase-II. (FPH-IGA Phase-II)” from January 2002. At present the project covers 118 villages in 20 unions under 4 upazillas of 3 districts namely Sylhet, Moulvibazar and Comilla. The project has been aimed to enhance socio-economic capacities of the poor and marginalized families. The year 2005 is the fourth year of the project duration. Strategically, in this situation VARD and its development partner Stromme Foundation (SF) - Norway want to be acquainted with the situation of the project progress, impact of the project activities in the life of the project participants as well as the changes of livelihood pattern of community, which will suggest to continue the project or to redesign the project incorporating innovative activities to achieve the goal and objectives of the project. In this regard both VARD and Stromme Foundation management has decided to conduct a mid-term evaluation study by an independent development consultant in Bangladesh.

In order to execute the evaluation work an evaluation team has been formed consisting of an outside independent consultant and one technical personnel from Stromme Foundation. The consultant along with his team member has reviewed all relevant project documents, visited the target beneficiaries individually and in group, gathered data/information, analyzed those and developed the study report. This report contains findings and recommendations on effectiveness and efficiency of program implementation, involvement of target beneficiaries, their social and economic enhancement, leadership pattern, empowerment issues and capacity fortification in line with the objectives of this study.

2. OBJECTIVES

The specific objectives of the study are as follows:

1. To determine whether or not the activities are accessible to the poorest communities of the intervention areas.
2. To examine whether or not the service delivery mechanism is conducive to reaching the vulnerable group especially to the women and children.
3. To examine and assess the effects and impact of the project.
4. To assess the specific objectives of the project in relation to income and employment have helped them for and average life in the project areas.
5. To prepare a set of recommendations based on the findings of the study on the present approaches and strategies for future direction.

3. STUDY IMPLEMENTATION

Methodology

The evaluation study has been exclusively participatory using both quantitative and qualitative techniques. The communities have been made aware of the evaluation’s objectives in order to facilitate their participation. Primary data has been collected through focus group discussions and personal interview with target respondents at the village level. Secondary data has been collected earlier through review of Project documents.

The project has been evaluated/assessed using the following specific methods:

- Review of Project Documents. Available project documents such as, Project Application by year, Annual Project Report, Monitoring Report, Financial report, Micro-finance documents etc. have been reviewed for better understanding of the project.
- Household visits /Individual interview: Household visits at the doorsteps of group members have been made in different villages under this project. The purpose of household visits has

been to assess family composition, education status, health status, occupational status, land and other assets holding status, water and sanitation status, training on occupational skills and leadership pattern of the clients keeping alignment with the FGD information.

- Focus Group Discussion (FGD): FGD sessions have been conducted with all types of stakeholders like with the group members, school teachers and staffs. Attention has been made to ensure maximum representation of the participants from a specific segment of the project stakeholders. Number of participants in each FGD session varied from 15 to 20.

Study Limitation

The Program area is characterized by multiple socio-economic, geographic, environmental, political and cultural dimensions. However, there is a need to undertake rigorous study to gather information on various indicators, which are so diverse that it has not been possible to cover in this study with limited time.

The direct beneficiaries and other non-group participants in the FGD sessions pointed out many other indicators, which have been beyond the scope of this study and could be investigated further undertaking in-depth and focused studies.

4. STUDY FINDINGS AND ANALYSIS

4.1. Development Interventions: Targets and Achievements

4.1.1. Reaching the Poorest segment of the community: Target people and groups

Poverty in rural Bangladesh is still very high and the increases in income are more likely in urban areas. Increasing costs of living and the growing inequality between the 'rich' and 'poor' is considered to be a more significant cause of the slow reduction of poverty than the increase in population. During the decade of the 1990s, poverty only has decreased by one percent¹. This publication goes on identifying three distinct groups of 'poor' in Bangladesh; the 'extreme poor' numbering 22.7 percent, the 'moderate poor' numbering 29.2 percent and the 'tomorrow's poor' numbering 21 percent. In this situation, Government and Development Organizations in Bangladesh have been trying to alleviate poverty as a whole through implementing various types of poverty reduction project. The FPH-IGA-II Project has been also designed to address the poor people (here as called by 'Target people') in the community in order to develop their socio-economic condition. As per design of the project VARD management has organized target people in 'group' at village level.

Target People

It has been found that among the total 2,932 target people under the Project Phase-II, a total of 1,213(42%) has been phased out from Project Phase- I and have joined in Project Phase- II (Table- 1). Rest 1,719(58%) have newly joined as target group members in this project period.

It has been found that the group members who have joined newly in Project Phase- II are comparatively poor in relation to the group members who phased out from Phase- I and joined in Phase- II. In the FGD session at village Uttarkhola madhab under Goainghat upazila, it has been found that out of 25 participants from 6 groups, each of 22(88%) participants has either land below .50 acre or has no land. In FGD session with group members of Project Phase I and II in together, it has been found that out of 19 participants, 3(16%) have land more than 1 acre each; 9(47%) participants have land ranged from 0.15 acre to .90 acre each and 7(37%) participants have no land.

On the other hand, in case of group members exclusively of Project Phase- I, it has been found that some of the group member's family has arable land of highest 7.5 acre². Out of 9 members attended in a group meeting, each of 3 (33%) members has lowest 1.80 and highest 7.50 acre arable land. Family income of each of these families is also high than those of other members in the group. Living house of these families is of high quality (building with electricity, water and other household facilities). To be mentioned here that, these families have been with this status for long time. These are basically well-off families in the area. In the Monipuri community of Nayapattan village under Adampur area of Kamalgonj upazila, group member's economic condition is found better than the group members in other area /union. In this area it has been found during field visit that out of 15 group members participated in a FGD session, 11(73%) members have arable land varied from 1 acre to 6 acre.

Group status

Till October 2005, a total of 182 village level groups have been formed in 118 villages under 20 working unions of 4 upazilas in 3 districts under this project (Table -2). Total group members stands at 2,932, and all are women. Average size of a group stands at 16. However, during field visit it has been found that in a group there are only 7 members or 8 members. There are many groups with 11-12 members in each group. It has been also observed that from the same household the mother, daughter and daughter-in-law are three influential members in a group consisting of only 11 members.

¹ Common Country Assessment Report – 2000, produced by UNDP

² One group member of 'Bohor 3 no. Mohila Samity' of village- Bohor under Nandirgaon union of Goainghat upazila. In the same group another group member has arable land of 3.60 acre, another member has 1.80 acre of arable land.

Savings

Total savings fund of the group members stands at Taka 3,111,765, which indicates that average savings fund per group member is Taka 1,061. Lowest amount of savings fund to a member has been found at Taka 560, and highest amount is Taka 4,600. As per organizational policy, group members' savings fund is lying with VARD bank account. Each group member has own passbook and savings fund of each group member is updated in this passbook. It has been experienced that each of the group members knows the updated status of own savings. Nevertheless, members have raised the issue of service charge /profit of their savings fund. They have expressed that they are not aware /clear on the net amount of profit against their savings fund. They further have mentioned that it is very important to unveil the financial status of their savings fund including profit, at least half-yearly or yearly during group meeting. Group members also have mentioned about 'flexible savings'. Many group members like to deposit their own savings weekly, as they like (any amount as per their capability). At the same time they have raised the issue of withdrawing their own savings in emergency cases, showing valid reason(s).

Loan to group members

It has been found that out of total 2,932 group members, 1,762(60%) are borrowers with outstanding loan as in October 2005. Average size of outstanding loan to a borrower has been Taka 4,208. As per the field situation and market demand, there exists opportunity to cover more borrowers in the project area. Savings as percentage of total loan portfolio is only 14%. The status of savings and loan fund is not satisfactory in this situation.

Group meeting- frequency, group member's attendance and meeting agenda

Once in each week group members are gathered in a common place (mostly in Group leader's house) on a fixed day to repay loan installment and to collect savings of the group members. This could not be exactly treated as 'group meeting'. However, there are some discussions issues among the group members and the respective project staff (Credit Assistant) present in the gathering. Basically these discussions are made for savings and loan collection only. In many cases members do not attend in this gathering in together. They come one by one, deposit their loan installment and savings and leave the place immediately after that. Though there is a provision to organize an 'issue-based' meeting once a month, but the meeting is not regularly held and discussions on social, legal, human rights or women empowerment issues are rarely taken place. It has been also experienced that the respective field staffs are not qualified and skilled enough to conduct such session with the group members. Most of the Credit Assistants are new and not in a position to discuss and analyze social issues properly and proficiently.

Group Leadership

It has been observed that basically President /Secretary or Cashier of a group remains as a group leader to lead the group. Most of them (in 90% cases) hold the same position as group leader continuously, for years to years. There exists very limited provision to develop alternative leadership among the group members of a particular group.

4.1.2. Targets and Achievements of program activities

Development components of this project have been classified into five major parts. These are:

a) Social and environmental Development, b) Economic Development, c) Skill development training, beneficiaries training, d) Education, e) Support to Primary school.

Activities under social and environment development component are mainly related to village level group formation and development, democracy and voter rights establishment, primary health education and social resource mobilization. It has been found that in almost all cases the targets are achieved fully (Annex- 1). It has been planned to rearrange 25 old groups and to form 70 new groups. Up to October 2005, a total of 157 new groups have been formed and 25 old groups have been rearranged. As per plan it is supposed to provide orientation to a total of 6,043 group members and other community people on

democracy and voter rights. At the end of 2005 total 6,556 members have been covered. However, it appears that basically most of the orientation sessions have taken place during weekly gathering of group members and there has been limited scope to discuss these development issues elaborately. And so, the group members and other nearby community people have acquired some surface level knowledge on this important human rights issue. As opined by the group members, it is needed to organize more in-depth training course (modular course) on social development and human rights issues, especially for the group members. Under social resource mobilization, it has been planned to plant trees on both sides of the roads for 5 kilometers long. According to the target achievement statement, it has been found that 5 kilometer long road has been already covered through tree plantation.

Under economic development component, construction of flood protected house is included as a vital activity. Savings generation and disbursement of loan to group members are another two major activities under this component. Besides, selection of socially viable business is also an important part of this component. A total of 100 flood protected houses have been constructed against the target 100 houses during last 4 years (100% achievement). It has been planned to generate a total Taka 2.76 million as savings fund, but in actuality Taka 3.11 million has been generated at the end of 2005 (12% more than it has been targeted).

Skill development training component include several capacity building training courses for the target people and as well as for the project staff. It has been observed that exactly 1,653 group members /other community people have been covered against same number of people targeted under this project (100% achievement). Most of the target people have been covered in the year 2004. Skill development training courses like homestead gardening, cow rearing, account keeping training have been provided to the target people. In each of these cases achievement has been 100% against target figure. Regarding staff training, three major courses have been designed to build up their capacity. Among these, microfinance management and PRA have been the most need-based courses and the targets have been fulfilled properly.

In order to enhance children's education in the remote rural area, VARD has established a primary school through this project fund. Ensuring contributions (particularly the land) from the community, VARD has been also encouraged to establish the primary school.

All the above activities have been in place and fulfillment of targets as shown in the 'target-achievement' statement (Annex- 1), has been confirmed by the concerned project management. However, the team has experienced that monitoring and follow-up system of the activities at the grassroots level has been taken place inadequately. It needs to monitor particular sectors of an activity through prescribed monitoring tools by professional staff, in a regular manner.

[Status on education and support to primary school are separately described in chapter 4.2.3.]

4.2. Effectiveness and appropriateness of Program Interventions

4.2.1. Overall Project Purpose and Indicators

In order to achieve the goal of project, specific purposes and indicators against those purposes have been fixed very selectively. Present status of those is furnished and analyzed as follows in matrix-1.

Matrix- 1: Project purpose, indicators and present status

Goal of the Project: Improve socio-economic capacities of the rural poor		
Purpose	Indicators /Impacts	Present Status as per field findings
To increase capacity of women organized upon own platform	2,600 scattered poor women are included in the village organization.	<i>A total of 2,932 women have been organized in groups at village level. This indicates that, achievement is almost 13% more than it has been targeted.</i> <i>In actuality all of them are not from the poor families. Some are from marginal /upper marginal families.</i>
	At least 30% to 35% of the beneficiaries are able to maintain their accounts	<i>It has been found that 20 - 25% women are at present able to maintain their accounts properly</i>
	80% children of the beneficiaries are enrolled in the school	<i>As per field findings, averagely 90% of the school-going aged children under the group members' families are enrolled in the schools in a regular way.</i>
	45% beneficiaries are aware of social activities	<i>It has been revealed that averagely 50% group members are conscious on various social problems and aware on social activities</i>
To increase income level of the beneficiaries & reduce economic losses due to disaster	80% beneficiaries' economic erosion arrested 75% women beneficiaries in marketing their product	<i>Income of the group member's households has been obviously increased. However, at present stage it has not been possible to measure the actual status.</i> <i>There has been found no baseline study, and proper monitoring on this particular issue has not been in place at the field of activities.</i> <i>More in-depth study is needed in this regard.</i> <i>Women have come forward to run IGAs. Their movement outside their home has increased remarkably. Some of them are running IGAs by themselves. During FGD sessions it has been revealed that 28% of the group members (all women) are running IGAs solely by themselves. Another 25% are managing IGAs within their control, but the work (including marketing) is done by other male counterparts. Rest 47% women are not exactly run IGAs by themselves. In this case women manage fund / loan from VARD and the IGAs are running by the male counterparts of the women group members' family.</i>

		<i>Marketing of the products by women has been advancing on its own way keeping track with the present social and economic situation of the area. However, it would take time to really fulfill the target (75%). It appears that the target has been put optimistically.</i>
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4.2.2. Flood Protected Housing

Number of houses provided to group members- by year

It has been targeted to build 100 houses for 100 beneficiaries. In the year 2003 only 19 houses have been in place, and in 2004 a total of 81 houses have been built. The project management has been very cautious and selective to implement this activity at the field, as per need of the people. It has been found that the structure of the house has been made properly as per project design, as to protect it from the floodwater.

Ownership of house

Ownership of the house has been encoded in a specific way at the time of building the house. As the group member is a woman, so the ownership of the house goes in the name of that woman. As per the policy, VARD prepares a profile of the woman with a photograph of herself including her old poor house. After building the new house, another profile is made in the same way, as earlier. In this way ownership of the house is ensured, which is very much appreciated by the woman as well as her other family members. It is to be mentioned here that total cost of a house has been fixed as Taka 20,000. This money is allocated to build a house as grant. However, the group member demands more money to be allocated for building house of a comparatively bigger size.

Size of House

Regarding present size of the house, the household members are not satisfied because of inadequate space for a family of 5 and more members all together. At present the house is built with 10 concrete pillars and the size of the house is 24X12 feet. But the group members like to have the house of size 24X16 feet with 12 pillars. Within this space they like to have one verandah by the front side of the house.

House with Tube-well and hygienic latrine

In present situation there is no provision to install tube-well along with house. However, there is a felt-need of the household members to have tube-well by the side of the newly built house. Group members with flood protected house even like to share cost in installing tube-well.

There has been arrangement to install hygienic latrine with the house. It is also a precondition in this case. Within the allocated money (Taka 20,000), Taka 540 is kept beside for installing a hygienic latrine adjacent to the newly-built house. Group member with new house and hygienic latrine becomes very happy with the arrangement made to lead her life in a more organized way.

4.2.3. Education

In the project area VARD has established a private primary school with the project fund received from Stromme Foundation. The school is situated in Kadamtala village under Nondigram union of Goainghat upazila under Sylhet district. This school covers 2-3 surrounding villages from where the children from poor families have got opportunity to continue their education.

In order to build the school building, local people have come forward to contribute. One of the landowner has donated the land. Local people are very supportive to develop the school further. This is really a remote area. Floodwater affects the area in almost each year. Crop fields and surrounding low lands remain under water for more than 6 months. People of this area are leading their life measurably. It has become almost impossible to send the children far from their houses as because there has been no school within these 2-3 villages and other primary schools are 2 – 3 miles far from this area. Considering all these factors, VARD has decided to establish school in this area. Finding all the existing situations it appears that it has been very rational to open such school in this area.

In this school there are five classes started from class- I (Grade- one). Students are sitting in their respective classes in five rooms separately. Children from poor families have got the opportunity to continue their education at least up to fifth grade. Most of the parents (above 75%) of the students are day labourer and small traders /vendors.

Among the total 147 students, 77(52%) are girls and 70(48%) are boys (Table- 3). Gender segregation of students appears to be properly maintained in this regard.

A team of 6 teachers are engaged to teach the students. Among them 5 are female and 1 is male. One female teacher acts as Head Teacher. All of them are young and energetic. However, all are not equally competent in teaching line. Educational background of the teachers is okay, all of them passed HSC, and some are still continuing their education in honors /master degree class. All of them have been provided 3 days' training on 'Teaching method' from VARD. As it has been understood, this is not enough to really run classes in primary school. Considering the above factors, the team feels it necessary to further develop the teacher's skill to ensure qualitative education for the children in this school.

A seven members' management Committee has been formed to manage the school activities as a whole. The landowner (donor- who donated his land to build school building) is the president of this committee. When discussed, it has been exposed that each of the management committee members reserves the right of ensuring quality education and developing this school as a model in this area. It appears that the committee members are proud of having such school in their area. They are regular in organizing meeting in a regular manner. They have close liaison with VARD management. One of them maintains regular contact with the respective government personnel at upazila level and is trying to affiliate this school under the government education department. VARD management facilitates the process.

Extra Curriculum activities have been taken place in this school as to develop students' extra skill besides the formal class work. Activities include physical exercise, handicrafts work, singing songs, dancing, participating cultural functions etc. Children become enthusiastic to participate in extra curriculum activities.

Regarding personal health facilities, the school authority organize basic health education class for the students. First aid box is available at the school office room and students can easily use that in case of any emergency. There exist two toilets, one for girl students, and another for boys. Existing facilities are made as per needs of the students. It appears that the teachers, students and guardians are satisfied with the arrangements.

During field study, it has been tried out to have a clear picture of this private primary school and other primary schools in this union. The management committee members, teachers and students have revealed their opinion in the following way:

Matrix- 2: Difference of this school and other private /government primary school

Sl	Differences by existing factors	
	VARD Primary school	Other primary schools
1	Look at the behavioral and attitudinal aspects of the students; daily life behavioral communication	Looks in occasionally
2	Keep the students alert on cleanliness, nail cutting, tooth brushing, using coconut oil for hair, organize health education class	Not mandatory
3	Students' house visit by the teachers	Not takes place
4	Coaching at school, less time needs for students to prepare homework	Rarely happens
5	Extra curriculum : physical exercise, amusement for students, arrange cultural function by the students in order to explore their creativity	Occasionally held, not regularized as VARD school
6	Toilet facility for girls and boys, separately; keep the toilet always clean	Common toilet and unhygienic environment
7	No physical punishment	Physical punishment exists

There exist some problems as well in running the school. As mentioned by the school management committee members and teachers, existing major problems are follows:

- At present there is no playground for the students.
- Communication problem: Road communication in general is so bad; sometimes it becomes difficult to attend school by the students from remote areas.
- During monsoon, and if it is flood, students, especially girls suffer a lot to regularly attend the school.

Nevertheless, when discussed, the school management committee members and other community people have shown ways to overcome the problems as well. They expressed their willingness to donate more land to build playground. Some have stressed on communicating with the public representative and with the respective government authority to repair /build roads. Some of them also have put suggestion to arrange small boats to carry the students during rainy season.

Considering all the facts and factors, it appears that running this type of school in such remote area is very much appreciated by the community people as a whole. VARD management also has admitted it positively. As per evaluation team members' view, this type of school is needed to be established, where needed, in order to ensure education of the children from poor and distressed families in this flood affected, remote area. In order to attain sustainability, it would be the responsibility of school management committee and VARD management to ensure affiliation of this school with government education department.

4.2.4. Micro-finance

Microfinance Program Performance

For the entrepreneurial poor, however, a reliable source of micro-finance can go a long way toward improving their social and economic well being. Moreover, after building their enterprise capacity, such individuals can continue to be reliable clients of the micro-finance program or begin to access credit from the more formalized banking sector. Under this project, most of the group members, particularly the group members of FPH-IGA project phase- I, have developed their capacity in running viable enterprises, taking loan from VARD. It has been found that loan ceiling against a borrower has been gradually increased by terms. In the year 2002, average loan size to a borrower has been Taka 3,000 for the first loan, and fifth term loan to a borrower has been taka 10,000. In the year 2004, average loan size to a borrower has been Taka 4,000 for the first loan, and fifth term loan to a borrower has been taka 15,000 (Table- 4).

Credit products

One group members normally borrows between taka 4,000 and 5,000 for various purposes such as fishing, fish business, boat purchasing, pebble collections for construction, cow and goat rearing and other petty traders. Clients engaging micro-enterprise business are particularly engage with shoe making.

The average loan size is Taka 7,000. There is strong opportunity to increase the loan size. VARD also offers micro-enterprise loan (TF) to selected clients. The clients are in general pleased with the terms and conditions of loans except that they would like to borrow larger loans under TF program.

VARD changes its modality of the microfinance operation through the couple of the years remarkably to make the operation sustainable. But it has yet to fully utilize its staff capacity as well as branch has not been done to full fledged the branch capacity in order to achieve sustainable microfinance operation. Number of credit officer for each branch need to increase up to 5 who should be supervise 300 members (30 members per group and 10 groups per credit officer). That would mean 1,500 members per branch and 6,000 members under its four branches.

The total amount of credit disbursed is Tk. 4,257,000 in the year 2004. The loan amount has substantially increased in the year 2005 (Tk 8,028,000). It indicates that in the year 2005 (up to October) there has been an increase of loan disbursement by almost 89% than the amount disbursed in 2004. As in October 2005, total number of borrowers with outstanding loan stands at 1,171, which represents 40% of the total group members at that time. This refers to the fact that there are scopes to cover more group members under micro-finance program in this area.

Group Dynamics

VARD follows group based individual lending. During group visit it has been observed that there are lack of group discipline and the attendance of the group meeting is low that needs to address properly. VARD must continue issue based discussion in the group meeting over the year under the agenda of

development education in order to increase the active participation of the clients in the development process and ensure the livelihood security of the clients.

Savings mobilization and Loan portfolio

Groups are found to deposit savings of Taka 10 to 20 every week. Annex- 4 shows the analysis that per member savings per week is only taka 7, which clearly indicate that members are not saving regularly. VARD must look into this matter seriously. Savings as percentage of total loan portfolio is only 14%, which is extremely low comparing to the global microfinance industry and the country context. Savings mobilization must increase through different efforts and the percentage between savings and loan portfolio should be 30-40. Savings mobilizations also help VARD to reduce the donor dependency in the microfinance operation.

Furthermore, VARD have to start using savings in the existing loan portfolio from 2006. Earlier, it was in the bank as fixed deposit. VARD kept 100% savings as risk free investment which is not required as well as not comply with the terms and conditions with the donors. For initial year savings using ration would be 50% of the total savings outstanding and it must be reflected in the revised Business Plan of the organization.

Arrear Rate and Portfolio at Risk (PAR)

Arrear rate and portfolio at risk of FPG IGA project is high considering the best practice and industry context. Arrear rate should be within 2%, which is now 5.39% and the portfolio at risk should be less than 5%, which is now 11.87%.

Financial viability

Annex- 4 presents critical viability indicators of VARD FPH-IGA microfinance program. The microfinance program (2005) could only cover operating cost (OSS is more than 100%). However, the program funded by SF is in the track of achieving financial viability. The reason for such poor financial performance is obvious from Annex- 5. This has been due to low staff productivity, which led to small portfolio per credit officer. The two productivity indicators, member per credit officer, borrower per credit officer are unacceptably low (below 225) compared to industry standard. At the same time credit officer per branch is 3, which is also unacceptable and need to increase the branch, credit officer ration. Average loan size is also low comparing to the MFIs of its size. To make the program viable VARD must increase member to credit officer ratio to 300 if not more and maintain member to borrower ration more than 85%. In addition, increasing 2 credit officers per branch is a precondition for program viability. To make a viable branch the membership would be between 1,500 and 1,800.

‘On-time’ loan repayment rate stands at 99.28% in the year 2002. In 2003 it has been 94.96%; in 2004 it further has come down to 92.59%, and in the year 2005 the rate has been a bit increased to 94.19% (Table- 4). In order to gain sustainability, this status is not a favourable situation.

4.2.5. Income Generating Activities

It has been mentioned earlier that the group members who have graduated from FPH-IGA Phase-I and joined in Phase- II are more capable to run enterprises of their own than those of the new members under Phase- II. In case of members who have joined newly under the project phase- II, are running small-scale IGAs with small funds. The old group members have developed entrepreneurial skill to run viable IGAs. It has been found that up to now a total of 2,974 clients (group members) have received loan of amounting Taka 19,162,000 (Table- 5). Maximum loan has been utilized by the clients for cow rearing at their household level. 29% (highest) of total loan has been used for this activity. 20% of the total loan has been used in running grocery shops; 10% has been for fish business and 9% has been used by clients in growing tree nursery. In the beginning (2002 -2003) of the phase- II project, some borrowers have used loan in consumption purposes like purchasing driving license or building houses, but afterwards loans have been exclusively used in running IGAs. In some cases there has been no diversity in running IGAs. Same types of IGAs have been running from years to years. Major activities

among those are ‘running saloon shop’, ‘grocery shop’, ‘small businesses. In accordance with the area demand and existing scopes, this appears rational to continue such activities. However, it has been experienced that there exist more potential scopes to run diversified IGAs /enterprises. These need to be identified and necessary support to group members might be extended as such.

Among the total 2,974 clients, 28% have been involved with cow rearing (highest); 22% run grocery shops and 9% are involved in running handloom to produce cloth. Usually this activity is running by the women of Monipuri³ community. Loan utilization has been made in accordance with the need of the people and as per existing opportunities to run IGAs in this area.

Regarding IGA training to the group members, it is found that training courses has been designed ineffectually. Participants in the training courses just have joined and completed training courses as they have been asked to do so. As per field findings it has been observed that those who have received poultry training have been actually involved in running saloon shop or involved in small business (Annex- 6). During FGD with the group members, it has been revealed that women have come forward in running businesses /IGAs on their own. According to FGD findings it has been found that 53% women are running their IGAs within their own control. Rest of the members (47%) usually takes loan from VARD and immediately after receiving loan they handover the money to their male counterparts. In this case women have no control on IGAs or over money. Male counterparts run IGAs as per their own decision. However, in some selective cases some activities like collecting stones by boat is solely done by male, but this type of activity is treated as ‘family business’, and women in this case are happy in running business by their male counterparts. In such case women also have control in handling money. Incase of running handloom, Monipuri women (in Monipuri village) do all physical and technical works, but in time of purchasing raw materials and marketing of products, all are done either by middleman (male) or by their male counterparts in the family. That means women in this case have no scope to transact money by themselves. The team has come to know that once there has been a program to develop entrepreneurship skill of women (through CEFE training), but at present there exist no provision under this project to develop skills of the women in order to start viable enterprises.

4.2.6. Effects and Changes happened

The group members, particularly the women, consider the development interventions as a changing agent in their lives and livelihood. The attitudinal changes of group members are visible and reflected the way they have explained the changes that, according to them, have changed their life remarkably. The major changes as perceived by the women are depicted below:

a) Change in own life

1. Become aware on social and economic condition of own self and the society
2. Can sign own name, read and write simple Bangle Language
3. Increased personal health awareness
4. Increase movement outside the home boundary
5. Can play role in decision-making in the family, and to some extent in the community
6. Have liquid money in hand (always)

b) Change in family life

1. Planned family
2. Develop own house: Infrastructural change
3. Increase household assets
4. Installed hygienic latrine
5. Have liquid money in hand always

³ Indigenous community, particularly in Sylhet area

c) Change in Social life

1. Reduced early marriage
2. Reduced polygamy
3. Increased social acceptance
4. Get due honour from other community people
5. Reduced money lending by poor people from traditional moneylenders on high interest rates

4.3. Project Management

4.3.1. Role and efficiency of the project staff

The Executive Director (ED), as Chief Executive of the organization is the overall responsible authority for the project. Under him the Senior Program Manager (SPM) has been assigned as to supervise the project activities at field and at central office (VARD Head Office at Sylhet) level. He has been involved with the project as line manager after the ED, and here by treated as the project head of FPH-IGA Project phase- II. Area manager is responsible to manage project activities at area level. One Social Development Worker cum Trainer (SDWT) has been allocated under this project as to develop capacity of the project staff as well as the group members on social issues. Internal Audit Manager (IAM) is looking after program monitoring and financial matters. One Assistant Accountant is working as to organize day to day financial transactions and is closely entangled with the project management at the central office. The grassroots level field staffs are designated by 'Credit Assistant (CA)'. Each of them is responsible to organize village groups, conducting group meetings, over and all, to collect savings and loan installment from the borrowers (group members) in a regular way.

The SPM is not a fulltime staff under this project. He is partly paid from this project fund. He is a senior level staff (17 years' experience) and quite competent in managing development program including micro-finance and education (Annex- 3). It has been found that he has lots of other multi-dimensional works under other projects and sometimes it becomes tough for him to maintain time and to provide necessary support services in case of emergencies. However, when needed, he is also assisted by his immediate supervisor- The Coordinating Manager (CM) of VARD. But the CM remains busy as well, and for him it becomes hard to allocate suitable time to facilitate the work. The Social Development Worker cum Trainer is a female and she is new and joined this project just one year back. Internal Audit manager is also a staff with only one year experience in VARD. The Executive Director, as the supreme authority is responsible to manage all on-going development projects under VARD. And so, he has to allocate his time to a particular project as per management need. Nevertheless, he has delegated authority to the respective project head. He attends monthly /quarterly meeting and provides necessary support occasionally.

The Credit Assistants are the core development workers at the grass root level to make the project a great success. At present there are 13 CAs (2 Female, 11 Male). Each of them has assigned jobs at village and at area office level. However, it has been found that almost all the CAs are newly appointed to do work under this project. Out of 13 CAs, 5 are of less than one or one year period, another 7 have been working for last two years, and only 1 CA is of 3 years old (Annex- 3). There is none who has been involved with the project from the beginning, i.e., from January 2002. CA with only one or two years' experience appears to be weak to handle groups and to keep track of on-going development activities properly, at grassroots level. When discussed, it has been revealed that they are not well aware on social and other related issues. It is okay to have maximum 2-3 new CAs among the existing 13 CAs. And it might happen in many other cases /projects. But if the status of CAs with other staffs (including SDWT and IAM) in a 15 members' team is like the case mentioned above, that would be difficult to rationalize.

It has been found that the CAs have been provided in-service training on only micro-credit and savings program. No training has been designed for CAs on institution building, leadership, social development,

human rights and empowerment etc., which are essential parts for a worker like CAs, to develop their capacity.

Regarding present role of CAs, the group members in FGD sessions have expressed their feelings very constructively as follows. The team also admits the situation as well.

Role of CAs for group development and uplifting socio-economic condition of the group member:

- Role of CAs: *Present Situation*
 1. Organize group meeting
 2. Recovery of loan installment
 3. Collection of savings
 4. Do record keeping
 5. Organize training sessions
 6. Conduct issue-based discussion meeting

- Role of CAs: *Future perspective of the group members (needs to accomplish by CAs)*
 1. Ensure proper time maintenance in attending group meeting
 2. Allocate more time during issue-based discussion meeting. CAs also needs to prepare themselves earlier, to conduct such issue-based meeting, otherwise it creates awkward situation both for the CAs and for the group members
 3. Organize more training on record keeping for group members /leaders
 4. Make more open discussion/ transparency with the group members regarding status of individual savings, profit earning /benefits from savings fund against each group member, outstanding loan, service charge and other related financial issues.
 5. Ensure discussions in the group meeting in a more participatory way

4.3.2. Project Implementation Role

The Project management has developed an operational plan to carry out development activities in the selected areas. A budget plan is usually made for each year, which has been followed according to the prescribed format supplied by Stromme Foundation (SF). Yearly action plan is made for the proper implementation of the program activities. The operational fields are situated at union level. The organization provides financial support for the project implementation with the fund received from SF. Co-ordination with staff, Donor and local Government administration has been properly maintained. The co-ordination meetings held both at the Head and Area office. The organization arranges training for the staff to make them skill in their job performances. All necessary paper, format, register, account book, and other receipts, credit cards, application and agreement papers are supplied for the program implementation purposes.

It has been found that at area office level a Credit Assistant is handling 14 groups in average. Distribution of groups to a CA has been made properly. In that relation a CA has average 225 group members under him/ her. Regarding area, existing number of working unions /village and number of groups, it has been found that in Kamalgonj and Chandina Upazila there are only 17 and 13 groups respectively (Table- 2). Numbers of working unions in each of these two Upazilas are 2 and 3 respectively. In respect to cost effectiveness, this coverage is not sufficient to make the program, especially the micro-finance sustainable. Management needs to rearrange /extend the program area as per sustainability issue. It is to be mentioned here that at present FPH-IGA Project Phase- II covers 4 areas i.e., 4 Upzilas under 4 different districts. Areas are scattered and far away from each other. This also makes sometimes difficult for the program monitors /supervisors to follow-up program activities smoothly, in a regular way.

4.3.3. Financial management

Project Resources and Transparency: Budget and Expenditure

Forecasting budget, periodical income and expenditure and fund movements are the vital elements of financial management. In light of the above issues, the project management prepares the budget for its annual expenditure with a detailed breakdown of expenditures and sources of funds. In this case Stromme Foundation (SF) Dhaka office has extended assistance to VARD management to maintain right track in controlling financial transactions. Stromme foundation also supplies prescribed format to VARD management in advance to prepare standardized financial report. Besides, in particular field of activities like micro-finance, technical supports have been ensured by the respective program personnel from SF Dhaka office. The team has observed that the budget for development project supported by donor has been prepared with meticulous details as well as with reflection of the priorities in accordance with program needs.

Analysis of budget allocation against particular development interventions of last four years shows that highest allocation (79%) has been made against micro-finance program, in particular- the revolving loan fund (Annex- 2a).

It has been an interesting finding that, percentage of expenditure against specific development interventions remains almost same as it has been allocated during budget preparation. For evidence, budget for revolving loan fund represents 79% of the total budget, and utilization of revolving loan fund has been 78% of the total expenditure. Again, 8% of the total budget has been allocated for staff salary, and same percentage (8%) of total expenditures has been made for staff salary. To be mentioned here that total amount of budget for last four years has been Taka 28,643,110, and total expenditure has been Taka 28,866,208 for the same period (variance is only .78%). It comes into view that financial performance analysis has been made by the project management through budget variance analysis on periodical basis. While reviewing the financial control and monitoring system the evaluation team has observed that the project management introduced a routine system through regular verification of vouchers, cash books, ledgers and registers to ensure the proper maintenance of books of accounts and accurate reporting. It appears that SF authority has been facilitating the process all the way in order to uphold management efficiency of VARD, and thus has ensured financial transparency.

Maintenance of Books and Records

The project management has introduced a routine system through regular verification of vouchers, cashbooks, ledgers and registers to ensure proper maintenance of books of accounts and accurate reporting on time. VARD finance department at Sylhet office has been found to be sincere in monitoring the project's finance unit at area offices on regular basis.

Auditing

There exists a provision for auditing of organization's accounts on yearly basis. The team has found that the audit has been conducted each year in time by the reputed professional chartered accountants firms, enlisted with the NGO Affairs Bureau, Government of the People's Republic of Bangladesh.

Appointment of the auditor is usually made in consultation with Stromme Foundation and due approval of the executive committee of VARD is ensured. Before appointing the auditor formal terms of reference (TOR) needs to be finalized. The auditors certify Balance Sheet, Income & Expenditure Account, Receipts & Payments Account and Comparable Accounts etc. The audit report is generally submitted to the respective donors and to government. The Revolving Loan Fund and local fund is also audited separately, thus complied with the provisions of the organizational constitution and also the government rules. It has been found that in case of FPH-IGA Project Phase- II, all these above steps have been made properly, in time.

4.3.4. Problems encountered and future challenges

It has been tried out to identify problems and future challenges in implementing program activities in the respective project area. In this regard FGD session has been arranged with the project staffs.

Participants in this session have disclosed their views as follows:

Major Problems

1. The project sites, villages and location of village groups are so scattered and far from each other (3 kilometers to 25 kilometers), it becomes difficult for the CAs to monitor activities in time.
2. Communication /transportation problem, especially in the monsoon.
3. Most of the CAs are very new. In-service training provided to them is insufficient. For them it becomes hard to prepare micro-finance technical report.
4. It takes long time to disburse loan to a borrower due to scarcity of fund (sometimes) and also because of fulfilling lots of formalities (paper works). Sometimes it needs even a month to finally handover cheque /cash to the respective borrower after submission of her loan application to the project management. It creates problem for running viable IGAs by potential entrepreneurs and they loose interest in investing money furthermore.
5. Frequent transfer and dropout of field level staffs.
6. Average size of group in some villages is so small (with 7-11 members only), that group solidarity in those groups is far away to reach. Group members are not regular in attending group meeting. As a result it takes extra time to accomplish jobs by the respective field staffs.
7. In many groups (almost 40% cases) the group members are not interested to discuss social development issues. Field staffs (particularly CAs) are also not proficient to discuss and analyze social problems, human rights issues etc. And so, the group members find no interest to listen and 'Issue-based' meeting in those groups remains abandoned in many groups (though there exists a provision to conduct issue-based meeting to each group, at least once a month).

Major Challenges as identified by the staffs

3. Ensuring 'Empowerment' of the poor people, especially of the women in this remote area.
4. Strengthening and institutionalization of village groups.
5. Flood management that occurs almost every year.
6. Running viable enterprises and ensuring employment of the women.
7. Attaining 100% coverage of hygienic latrine in all households within the project area

4.3.5. Sustainability Issues

Sustainability is a complex and intricate issue and involves critical analysis. It appears that VARD is advancing forward towards gaining organizational sustainability, particularly in terms of institutional mandate and capacity to run financial management, resources acquisition and human resources development.

In VARD the future plan to make the organization sustainable, forming upper level people's institutions at ward, union and Upazilla levels, is high on the agenda. According to the group members, to make the village level groups sustainable, some changes are needed like increase in savings ceilings, regularization of savings and utilization of more loans in enterprise development activities.

Sustainability in different levels:

Individual level

VARD is aware of the concerns and issues associated with paving ways, exploring means and providing support to ensure that the individual group member's family must attain the sustainability. The meaning of sustainability with regard to time, resource and other elements embedded in the project and rendered to beneficiaries need to be translated into actions. The organization is aware of this issue, and believes that livelihood pattern of the group members is visibly changing. However, the VARD management has not yet developed any long-term plan (indicators and studies in particular) to measure the changes in the livelihood.

Organizational level

At the organizational level, institutionalization of village groups through forming ‘Apex body’ - at ward, union and Upazilla level- is an important thrust in regard to organizational sustainability. However, VARD management at this stage is stepping forward in a slow motion. It needs more concentration in order to materialize the idea. As yet, the management could not finalize / standardize the modalities as to how the apex body will emerge. However, in the next phase it would be a challenge for the management to achieve it. The team has experienced that still the group members are not fully aware of this important step, and not acquainted with the process to form such apex body. ‘Maturity’ of groups /group members is also an important factor in this respect. More time is needed to prepare group members to unite and make further steps to form their “own institution”.

The team hereby stresses the importance of active involvement of the target population in Planning, Implementation, Monitoring and Evaluation of development project.

Activity level

Some activities are economically viable (micro-finance), socially acceptable and environmentally sustainable. The concept of sustainability in this project should be conceived within a broader perspective and framework. For example, building flood protected house (with grant fund) might not be sustainable from the economic point of view, but propagation and dissemination of this concept would have sustainable elements to continue.

Activities promoting human rights, health awareness, disaster preparedness and management will hardly become sustainable without outside assistance. Many group members have been already involved in off farm economic development activities. Group discussions suggest continuing support on development of household level small enterprises will better contribute towards attaining economic sustainability of the households.

Impact monitoring and internal assessment systems, especially in relation to the sustainability issues, need more attention in the next implementation phase.

5. CONCLUSION AND RECOMMENDATIONS

The activities of FPH-IGA Phase- II are spread out in different low-laying areas under the districts of Sylhet, Maulovibazar and Comilla. Water logging is a big problem for the people in this area. Flood water disrupts the normal life of the people, especially of the poor people. In this situation, VARD has started working with the distraught people in order to uplift their socio-economic condition. The community people, especially women and children of this area feel that without assistance from VARD it would not be possible to make their life advanced. During implementation period of the project 2,932 group members have been directly benefited in 118 villages under 20 unions. Besides, 147 children from distressed families have got opportunity directly to get themselves admitted in a primary school run by VARD under this project. Group members have changed their lives through development programs initiated by VARD, without which this could not be happened. This has surely transformed individuals and groups to a new height from their distressed position. The team has found a bunch of confident children and women engaged in non-formal education program, involved in health program, thinking about their future and above all, trying to break that vicious cycle which appears to surround them in ignorance and poverty. Community people have been enjoying the benefits of children's education, health interventions, hygienic environment, infrastructural development and varieties of socio-economic development support services.

In relation to the above facts and factors those have been found in field, the team is hereby considering a continuation of the project, provided that the VARD management tackles shortcomings successfully.

The team has not only looked into the problems and shortcomings of the project but also into its possible solutions, which are summarized as observations and recommendations as follows.

Recommendations

- 1) Existing Village groups with members below 10 in each group needs to be reviewed and re-arranged. Standard size of a group should be averagely with 20 members.
- 2) Preference should be given to select one member from one family instead of 2-3 members from the same family to be the group members in the same group. And thus it is possible to cover more poor families in the area.
- 3) It is important to scrutiny the applicants' socio-economic profile before finalizing her/his membership under a group in order to avoid entry of comparatively well-off people, and thus it could be possible to cover more poor people under a development project.
- 4) As opined by the group members, it is needed to provide more intensive training on social development and human right issues, both for staffs and for the group members.
- 5) It is necessary to further develop the school teacher's skill through imparting modular training course to ensure qualitative education for the children in the VARD-managed primary school.
- 6) More Primary school could be established by VARD within its own control in the remote areas where there is no government or private primary school. Affiliation of this private primary school should also be ensured by VARD management along with the school management committee.
- 7) 100% hygienic latrine should be ensured at least in all the group members' houses.
- 8) It has been experienced that there exist more potential scopes to run diversified IGAs /enterprises. These need to be identified and necessary support to group members should be extended as such.
- 9) In order to enhancing entrepreneurial capacity and credit needs of potential clients, VARD management may consider the need for flexible savings mobilization of the group members.
- 10) In VARD there has been a program to develop entrepreneurship skill of women through CEFE training, but at present there exist no provision under this project to develop skill of the women in

order to start viable enterprises. This type of modular training course should be started again.

11) Intensive follow-up is needed after completion of IGA /enterprise development training organized for group members.

12) Number of credit officer for each branch need to increase up to 5 who should be supervise 300 members (30 members per group and 10 groups per credit officer). That would mean 1,500 members per branch and 6,000 members under its four branches.

13) Savings mobilization must increase through different efforts and the percentage between savings and loan portfolio should be 30-40. Savings mobilizations also help VARD to reduce the donor dependency in the microfinance operation.

14) Arrear rate and portfolio at risk of FPG IGA project is high considering the best practice and industry context. Arrear rate should be within 2%, which is now 5.39% and the portfolio at risk should be less than 5%, which is now 11.87%.

15) To make the program viable VARD must increase member to credit officer ratio to 300 if not more and maintain member to borrower ration more than 85%.

16) Management needs to rearrange /extend program area concerning the sustainability issue. It is to be mentioned here that at present FPH-IGA Project Phase- II covers 4 areas i.e., 4 Upzilas under 4 different districts. Areas are scattered and far away from each other. This also makes sometimes difficult for the program monitors /supervisors to follow-up program activities smoothly, in a regular way. Program activities should be concentrated in specific area instead of spread out the activities sporadically, in different scattered areas.

17) Monitoring and follow-up system of the activities at the grassroots level has been taken place inadequately. It needs to monitor particular sectors of an activity, especially on social development issue through prescribed monitoring tools, in a regular manner.

18) Duration of Foundation Training to a new staff should be increased (standard- 7 days) in order to develop in-depth knowledge of the staffs on basic organizational development and socio-economic development issues.

19) Social development and human right based training courses should be provided to CAs. Regular follow-up and refreshers course should be ensured in this regard.

20) Paperwork of CAs should be simplified and reduced than it is now.

21) Job description of each and every staff should be made available to the respective staff

22) Action Plan needs to be developed and updated not only at central level, but it should be obtainable at area office level as well.

23) The meaning of sustainability with regard to time, resource and other elements embedded in the project and rendered to beneficiaries need to be translated into actions.

24) The team hereby stresses the importance of active involvement of the target population in Planning, Implementation, Monitoring and Evaluation of development project.

25) Impact monitoring and internal assessment systems, especially in relation to the sustainability issues, need more attention in the next implementation phase.

-
- **Note:** Some recommendations have been made by the group members very specifically during discussions in FGD sessions. Those are consolidated and furnished here, in the next page (Page- 26). Group member's opinion on these issues needs to be considered importantly by VARD management.

Recommendations from Group members

a. Development Program areas

IGA, health, education and flood protected house

1. Ensure poultry and cattle vaccination in the remote rural areas
2. Ensure more public health services in the remote rural areas
3. Install more tube-wells in the remote rural areas
4. Establish more primary school for enhancing children's education in remote rural areas
5. Size of flood protected house needs to be more widen & there should have front-side varanda.
6. Instead of using CI sheet as wall of the flood protected house, straw wall should be used.
7. With the house, tube-well should also be added for flood affected people under this project

Loan Program

1. Disbursement of loan to group members should be made more promptly (within one week)
2. Loan ceiling should be increased as per market demand and as per volume of enterprise.
3. Ensure timely repayment of loan from the borrowers
4. Start vehicle loan
5. Loan product like 'marriage loan' should be introduced

b. Group management

Group meeting

1. Ensure regular group meeting, and meeting should be conducted timely
2. Ensure members' presence in the group meeting (at least 75% members should be present in the meeting).
3. Need capacity building training of the group leaders/members on record keeping and group accounts.

Group savings

1. Ensure regular deposit of group member's savings
2. Increase amount of weekly savings of the group member
3. In time of emergency, there should have provision to withdraw partly savings by the respective group member showing valid reason(s).
4. Easy system should be followed in case of depositing and withdrawing savings fund of a group member.
5. Service charge (profit) against savings fund of the group member should be made clear to the respective group members on yearly basis, if possible on six-monthly basis. Open discussion should be made during group meeting on this important financial aspect.

c. Training

1. Group leadership training for the group members should be organized on a regular basis in order to develop leadership quality of the group leaders.
2. Organize more training for the group members /borrowers on HYV cattle and poultry rearing
3. Organize more training on Sewing / Tailoring
4. Organize more TBA training

TABLES

Table- 1: Number of beneficiaries by project Phase

Phase	Number of Beneficiaries		
	Male	Female	Total
Beneficiaries phased out from phase-I and joined in phase-II project	0	1213	1,213
Beneficiaries exclusively of phase-II(Newly Joined)	0	1719	1,719
Total	0	2,932	2,932

Table- 2: Status of Groups in different Unions (Information as at October 2005)

Name of Upazila	Name of working Union	Number of working village	Number of Groups	Number of Group members	Number of borrowers with outstanding loan	Total amount of savings (Taka)	Total Amount of outstanding Loan (Principal+ SC) (Taka)
Goainghat	Khoramkhola	6	19	283	223	412,289	705,588
	Angarjure	7	13	176	106	251,176	511,247
	Kourbari	4	10	178	107	240,681	602,478
	Bohar	5	14	203	142	293,358	710,170
	Dariarpar	7	13	160	123	231,147	614,513
	Kadamtala	6	9	173	124	260,968	512,579
	Shalutikor	8	12	168	118	266,157	402,187
Goainghat Total		43	90	1341	943	1,955,776	4,058,762
Kamalgonj	Adampur	10	17	267	113	194,581	772,731
	Rahimapur	7	8	133	18	95,865	142,146
Kamalgonj Total		17	25	400	131	290,446	914,877
Chouddagram	Chouddgram	12	14	215	103	151,582	411,742
	Batasa	7	7	112	54	98,588	201,793
	Cheora	6	6	113	57	92,046	204,651
	Jogannatdegghi	4	4	93	51	77,123	226,587
	Alkora	2	2	51	32	43,164	212,146
	Konkapoit	5	5	143	88	109,239	204,272
	Gulpasha	6	6	128	61	91,112	211,145
	Kashinagar	3	3	85	49	68,039	191,768
Chouddagram Total		45	47	940	495	730,893	1,864,104
Chandina	Barera	6	7	95	67	40,127	219,412
	Joag	5	5	61	47	37,451	142,658
	Nobabpur	2	8	95	79	57,072	215,302
Chandina Total		13	20	251	193	134,650	577,372
All upazila Total		20	118	182	2,932	1,762	3,111,765
							7,415,115

Table- 3: Children's Education: School and children's enrollment

Name of Upazila	Name of Union	No. of working village	No. of School	No. of children enrolled in the school			Number of Teacher		
				Girl	Boy	Total	Female	Male	Total
Goainghat	Nondirgaon	2	1	77	70	147	5	1	6

Table- 4: Micro Finance Program status by MF aspects(General)

MF Aspects	Year-wise status of Microfinance programme			
	2002	2003	2004	January to October- '05
Total amount(taka) disbursed	1,689,000	5,188,000	4,257,000	8,028,000
Total amount outstanding (in taka) at the end of the year				
Principal	837,699	3,145,937	647,178	1,838,129
Service charge	150,853	500,272	77,395	217,652
Total	988,552	3,646,209	724,573	2,055,781
Total amount Realized(in taka)				
Principal	851,301	2,042,063	3,609,822	6,189,871
Service charge	102,497	334,928	561,055	891,956
Total	953,798	2,376,991	4,170,877	7,081,827
Total amount Overdue(in taka)	6,184	108,350	288,697	381,473
# of borrowers with overdue loan(cumulative)				
Male	0	0	0	0
Female	37	60	167	218
Total	37	60	167	218
Total number of borrowers				
Male	0	0	0	0
Female	346	758	699	1171
Total	346	758	699	1171
Number of Borrowers with 1st loan	214	402	309	553
Average loan size to a borrower during 1st loan(taka)	3,000	3,000	4,000	5,000
Number of borrowers with 2nd loan	35	149	187	316
Average loan size to a borrower during 2nd loan(taka)	5,000	5,000	7,000	7,000
Number of borrowers with 3rd loan	57	140	127	168
Average loan size to a borrower during 3rd loan(taka)	7,000	7,000	10,000	10,000
Number of borrowers with 4th loan	33	46	53	89
Average loan size to a borrower during 4th loan(taka)	8,000	8,000	12,000	12,000
Number of borrowers with 5th loan	7	21	23	45
Average loan size to a borrower during 5th loan(taka)	10,000	10,000	15,000	15,000
% of 'on time' loan repayment	99.28%	94.96%	92.59%	94.19%

Table- 5: MF program status by Activities (Enterprises) :as at October-2005

Sl #	Name of Activity/Enterprise	Total Amount of loan disbursed (In taka)	%	Total # of borrowers/Entrepreneurs			%
				Male	Female	Total	
1	Cow Rearing	5,512,000	29	0	843	843	28
2	Goat Rearing	719,000	4	0	165	165	6
3	Sheep Rearing	63,000	-	0	17	17	-
4	Poultry Rearing	998,000	5	0	217	217	7
5	Duck Rearing	278,000	2	0	81	81	3
6	Grocery	3,816,000	20	0	664	664	22
7	Cloth Business	238,000	1	0	36	36	1
8	Tailoring	1,141,000	6	0	107	107	4
9	Handloom	1,212,000	6	0	268	268	9
10	Hardware Business	198,000	1	0	32	32	1
11	Fish Business	1,886,000	10	0	297	297	10
12	Vegetable Cultivation/Business	213,000	1	0	54	54	2
13	Nursery	1,790,000	9	0	19	19	-
14	Boat purchase	246,000	1	0	23	23	1
15	Rickshaw purchase	533,000	3	0	48	48	2
16	Handicraft	319,000	2	0	103	103	4
	Total *	19,162,000	100	0	2,974	2,974	

* Cumulative figure

ANNEXES

Annex-1:
Year-wise Target and Achievement of Project Activities

ACTIVITIES		Year wise Target and Achievement									
SL#	Name of Activity	2002		2003		2004		2005		TOTAL	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement (oct)	Target	Achievement
A	<u>1. Social & Environmental Development</u>										
1	Rearrange the existing group	25	25	0	0	0	0	0	0	25	25
2	New group formation & member admission	5&100	5&100	50&1000	50&750	15&550	15&507	0	0	70&1650	70&1357
3	Member Phase out	210	210	210	331	0	0	0	0	420	541
4	Reorganize the existing VDC, UDC & UzDCs and distribute their own responsibilities of committee members in the better ways	VDC-6 UDC-1	VDC-6 UDC-1	VDC-6 UDC-1	VDC-6 UDC-1	5	3	0	0	VDC-6 UDC-15	VDC-6 UDC-13
5	Democracy & Voter Rights/awareness on social issue	1000	1000	1000	1400	1543	1443	2500	2713	6043	6556
6	Hand over the charge or responsibilities among the group members those are Five years old.	15	15	15	36	0	0	0	0	30	51
7	Provide Primary health care education Group discussion	0	0	0	0	0	0	2500	2713	2500	2713
	<u>2.Social resource mobilization.</u>										
1	Tree plantation on both sides of the roads	5KM	5KM	5KM	5KM	5KM	5KM	0	0	5Km	5KM
2	Proper utilization of fallow lands for homestead garden.	100dec	100dec	100dec	100dec	100dec	100dec	0	0	100dec	100dec
B	<u>Economic Development</u>										
1	Savings fund generation.	400000	1887326	1500000	1743273	323492	486605	542600	1234457	2766092	3111765
2	Socially viable business selection	16	16	16	16	16	16	16	16	16	16
3	Construction of flood protected house.	100	0	0	19	0	81	0	0	100	100
4	Providing Credit support for IGA	750	346	1050	1104	750	683	1192	989	3742	3122
C	<u>1. Skill development training: Beneficiaries</u>										
1	Democracy and awareness education.	50	50	60	60	1543	1543	0	0	1653	1653
2	Organize training on homestead gardening to group members	60	60	0	0	0	0	0	0	60	60
3	Accounts keeping	40	40	20	20	50	50	0	0	110	110
4	Organize cow- rearing training	40	40	60	60	0	0	0	0	100	100
5	Social Analysis and development concept	40	40	60	60	0	0	0	0	100	100
6	Organize training on Federation Development	45	45	45	45	120	60	0	0	210	150
	<u>2.Staff Training</u>										
1	Organize monthly staff orientation	12	12	12	12	11	11	12	10	47	45
2	Micro finance management and analysis.	2 staff	2staff	0	0	0	0	0	0	2staff	2staff
3	Participatory Rural Appraisal	12	12	4	4	12	4	2	2	30	22

ACTIVITIES		Year wise Target and Achievement									
SL#	Name of Activity	2002		2003		2004		2005		TOTAL	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement (oct)	Target	Achievement
D	Education										
1	Established 1 primary school	0	0	0	0	1	1	1	1	1	1
	Continua the primary education	0	0	0	0	0	0	1	1	1	1
	Complete the Building construction	0	0	0	0	0	0	1	1	1	1
2	Staff & Teacher recruitment	0	0	0	0	4	4	2	2	6	6
3	Teachers Trainig/Induction orientation	0	0	0	0	0	0	0	0	0	0
4	Supply Education materials	0	0	0	0	90	90	150	147	240	237
E	Support to Primary school										
1	Activate SMC&PTA	0	0	0	0	0	0	6	5	6	5
2	Cultural Activities	0	0	0	0	0	0	1	1	1	1

Annex- 2a : Project Budget by year

Sl. no	Head of Budget	Year wise budget amount (in taka)				Total	%
		2002	2003	2004	2005		
1	Staff salary	921,596	872,941	235,810	347,750	2,378,097	8
2	Administrative cost	336,000	649,723	-	-	985,723	3.4
3	Training and sensitization	194,500	218,500	55,500	40,000	508,500	2
4	Equipment capital exp.	119,000	5,600	130,500	45,000	300,100	1
5	Contingency	15,000	-	9,090	-	24,090	-
6	Revolving loan fund	3,064,000	5,040,000	6,000,000	8,500,000	22,604,000	79
7	Audit fee	10,000	15,000	-	-	25,000	1
8	Financial cost	65,000	314,430	-	-	379,430	1.3
9	Bank charge	2,000	3,000	-	-	5,000	-
10	Loan loss reserve	32,000	110,000	-	-	142,000	0.5
11	School construction cost	-	-	416,100	762,820	1,178,920	4
12	Education material	-	-	45,000	67,250	112,250	-
	Total Budget	4,759,096	7,229,194	6,892,000	9,762,820	28,643,110	100
	VARD Contribution	395,096	1,229,194	-	362,820	1,987,110	7
	SF contribution	4,364,000	6,000,000	6,892,000	9,400,000	26,656,000	93

Annex- 2b: Project Expenditure by year

Sl. no	Head of Budget	Year wise budget amount (in taka)				Total	%
		2002	2003	2004	2005		
1	Staff salary	921,590	846,950	218,000	291,490	2,278,030	8
2	Administrative cost	337,896	564,606	26,810	-	929,312	3
3	Training and sensitization	164,481	162,548	51,400	8,382	386,811	1.3
4	Equipment capital exp.	118,535	-	128,275	48,250	295,060	1
5	Contingency	12,540	-	-	-	1,2540	0
6	Revolving loan fund	3,064,000	5,040,000	6,000,000	8,500,000	22,604,000	78
7	Audit fee	-	-	-	-	-	-
8	Financial cost	39,000	345,495	-	-	384,495	1.3
9	Bank charge	3,030	10,334	4,029	3,017	20,410	0
10	Loan loss reserve	32,000	110,000	-	1,274,317	1,416,317	5
11	School construction cost	-	-	422,070	-	422,070	1.5
12	Education material	-	-	41,834	75,329	117,163	0.4
Total Expenditure (Taka)		4,693,072	7,079,933	892,418	10,200,785	28,866,208	100

Annex- 2c- Project Budget and Expenditure analysis by percentage and by heads of accounts

Sl. no	Head of Accounts	Budget		Expenditures		Variation
		Amount (in taka)	%	Amount (in taka)	%	
1	Staff salary	2,378,097	8	2,278,030	8	0
2	Administrative cost	985,723	3.4	929,312	3	0.4% less
3	Training and sensitization	508,500	2	386,811	1.3	0.7% less
4	Equipment capital exp.	300,100	1	295,060	1	0
5	Contingency	24,090	-	1,2540	0	-
6	Revolving loan fund	22,604,000	79	22,604,000	78	1% less
7	Audit fee	25,000	1	-	-	-
8	Financial cost	379,430	1.3	384,495	1.3	0
9	Bank charge	5,000	-	20,410	0	-
10	Loan loss reserve	142,000	0.5	1,416,317	5	4.5% higher
11	School construction cost	1,178,920	4	422,070	1.5	2.5% less
12	Education material	112,250	-	117,163	0.4	-
	Total	28,643,110	100	28,866,208	100	

Annex- 3:

List of Staff in FPH-IGA Phase-II

Sl #	Name	Gen der	Age	Educational Qualification	Designation	Total years of job in VARD	Total years of experience in development fields	Any special training capacity
01	Amranul Hogue Kamal	M	48	BA	ED	17 years	25 years	
02	Md.Ashiqur Rahman	M	39	BA	SPM	7 years	17 years	
03	Jadab Lal Bhowmik	M	30	M. Com	IAM	1 year	05 years	
04	Fatema Begum	F	30	MA	SDWT	1 year	06 years	TOT & Training on "Institution Building" the concept of Self-help Affinity Group
05	Md.Rashid Ahmed	M	35	BA	AM	12 years	12 years	Micro credit & savings management
06	Juthon Kumar Ray	M	28	B. Com	AA	2 years	03 years	MF account keeping
07	Porimal Chandra Das	M	28	BA	CA	1 year	02 years	Credit, savings & group management
08	Forida Begum	F	27	BA	CA	1 year	02 years	Credit, savings & group management
09	Ratna Kar	F	28	HSC	CA	1 year	02 years	Do
10	Sudin Ray	M	30	BA	CA	2 years	02 years	Do
11	Jahangir Hossain	M	28	BA	CA	2 years	02 years	Do
12	Md.Golam Kibria Choudury	M	32	M. Com	AM	1 year	06 years	MF management
13	Md. Nazrul Islam	M	31	BA	CA	2 years	02 year	Do
14	Md.Faridul Islam	M	28	BA	CA	1 year	01 year	Do
15	Md.Sahajahan	M	27	BA	CA	1 year	01 year	Do
16	Md.Ruhul Amin	M	29	BA	CA	1 year	01 year	Do
17	Md.Masudur Rahman	M	28	BA	CA	1 year	02 years	Do
18	Md.Jasim Udain	M	30	BA	CA	3 year	03 year	Do
19	Sekh.Monirul Islam	M	28	BA	CA	1 year	01 year	Do
20	Md.Sofi ullah	M	28	BA	CA	1 year	01 year	Do
21	Jumbada Khanom	F	29	BA	H.Teacher	2 years	02 years	
22	Md.Shafiqur Rahman	M	28	BA	Teacher	2 years	02 years	
23	Anita Rani Biswas	F	27	HSC	Teacher	3 years	03 years	
24	Supta Rani Ray	F	26	BA	Teacher	1 year	01 years	
25	Monira Begum	F	25	HSC	Teacher	2 years	02 years	
26	Md.Billal Hossain	M	30	VIII	OCT			

ED = Executive Director SPM = Senior Program Manager IAM = Internal Audit Manager SDWT = Social Development Worker cum Trainer AM = Area Manager AA = Assisant Accountant CA = Credit Assistant OCT = Office Care Taker

Annex- 4: Critical Financial Viability Indicators under Microfinance Programme

Indicators	2002	2003	2004	Nov'05
Member per credit officer	171	196	246	228
Borrower per credit officer	47	76	161	136
Member per branch	512	523	492	740
Credit officer per branch	3	3	2	3
Savings per member (per week)	7.44	7.52	7.85	7.2
Average loan size (Taka)	5345	5839	6233	6903
Portfolio per credit officer (Taka)	143,316	500,440	776,542	513,970
Arrear Rate (%)	0	2.71	8.35	5.39
Portfolio at Risk (%)	0	5.8	13.22	11.87
Risk covered by savings (%)	100	146	90	90
OSS without subsidy (%)	33	29	88	122

Note: Income deficit had been covered by the subsidy from SF & general fund of VARD

Annex- 5: Microfinance Portfolio Information

Particulars	2002	2003	2004	2005											Total 2005
	(December Closing)	(December Closing)	(December Closing)	January	February	March	April	May	June	July	August	September	October	November	
No. of Branch	2	3	3	4	4	4	4	4	4	4	4	4	4	4	4
No. of Staff	9	11	9	11	11	11	12	12	12	12	15	17	17	17	17
No. of C.A	6	8	6	8	9	9	10	10	10	10	12	13	13	13	13
No. of Groups	90	106	96	132	139	165	165	169	170	176	176	178	181	185	185
No. of Active Clients	1024	1570	1477	1975	2020	2489	2486	2556	2595	2705	2924	2809	2893	2961	2961
No. of loan disbursed	316	892	683											1300	1300
No. of Borrowers	284	609	965	1021	1138	1209	1340	1446	1571	1597	1689	1508	1759	1764	1764
Total Savings	380926	590337	580077	65366	61253	78466	78696	83218	86900	87153	96956	93756	109742	118993	960499
Total Loan Disbursement	1689000	5208000	4257000	310000	816000	830000	769000	660000	1040000	660000	956000	1173000	814000	946000	8974000
Total Loan Outstanding	859893	4003516	4659249	4628004	5090601	5470658	5695749	5570477	6052090	6051405	5757371	6317053	6468942	6681603	6681603
Installment Due	0	108350	302509	210143	236110	206725	222267	245157	196588	208383	99056	252064	130854	162174	162174
Passed Due	0	0	86476	101574	145211	164916	224239	179886	160563	188034	65472	210170	250619	197688	197688
Total Overdue	0	108350	388985	311717	381321	371641	446506	425043	357151	396417	164528	462234	381473	359862	359862
Outstanding Loan against total Overdue loan	0	232180	616158	519121	635615	768986	889282	714324	843075	856016	532664	815782	743088	793385	793385
Savings against Overdue loan	0	157880	350490	357753	386606	393568	417342	431260	425226	427605	408531	418161	353791	324274	324274
Operating Income	124900	316534	570588	54339	54430	69008	85326	120458	88733	114408	193278	91995	99944	100876	1072795
Subsidy from VARD	0	0	1196949	0	0	0	0	0	0	0	0	0	0	0	0
Operating cost	310038	638118	313643	26450	26324	28370	33426	35160	35409	36164	36774	39922	46096	42070	386165
Financial cost	39000	345495	332293	0	0	136035	0	0	0	98369	0	163918	0	0	398322
Loan loss provision	32000	110000	0	0	0	0	0	93185	0	0	0	0	0	0	93185
Total cost	381038	1093613	645936	26450	26324	164405	33426	128345	35409	134533	36774	203840	46096	42070	877672
Profit/Loss	-256138	-777079	1121601	27889	28106	-95397	51900	-7887	53324	-20125	156504	-111845	53848	58806	195123

Note: Loan outstanding difference Tk. 8783 between MIS & FIS in ADC-Nandirgaon . We have review and reconcile it.

Annex- 6: Group members' economic status, training received and use of loan

Sl	Name	Source of income	Arable land ownership (Acre)	Own savings (Tk)	Training on IGA	Loan received by the group members and use of loan										IGA run by oneself
						Present Term (running): 5 th Term Loan [2004-2005]		4th Term Loan		3rd Term Loan		2 nd Term Loan		1 st Term Loan		
						Amount (Tk)	IGA	Amount (Tk)	IGA	Amount (Tk)	IGA	Amnt. (Tk)	IGA	Amount (Tk)	IGA	
1	Alti rani	Carpenter	No land	2,500	Poultry	15,000	Saloon shop	5,000	Saloon shop	5,000	Saloon shop	3,000	Saloon shop	5,000	Cow rearing	-
2	Priti rani	Selun	0.90	2,460	Cow rearing	-	-	3,000	Saloon shop	8,000	Send the son to abroad	-	-	-	-	-
3	Dipti rani	Service	1.20	2,829	Poultry ,Cow rearing	10,000	Saloon shop	10,000	Saloon shop	3,000	Cow rearing	-	-	-	-	√
4	Shipra	Selun	No land	2,500	Poultry ,Cow rearing	5,000	Saloon shop	5,000	Saloon shop	15,000	Saloon shop	5,000	Saloon shop	-	-	-
5	Ratna Rani	Do	0.60	2,500	Business	10,000	Saloon shop	10,000	House building	3,000	Saloon shop	5,000	Saloon shop	8,000	Cow rearing	-
6	Kokila	Small business	0.15	3,000	Vegetable cultivation	-	-	15,000	Small business	10,000	Small business	8,000	Cow rearing	-	-	√
7	Laksmi	Carpenter	No land	4,500	Vegetable cultivation	20,000	Furniture business	15,000	Furniture business	8,000	Furniture business	10,000	House building	10,000	Grocery shop	√
8	Sayera	Driver	No land	2,800	-	-	-	-	-	10,000	House building	5,000	Purchase Driving license for husband	3,000	Cow rearing	-
9	Ronifa	Small business	No land	2,200	Vegetable cultivation	-	-	10,000	House building	5,000	Small business	3,000	Cane/bamboo business	-	-	√
10	Ayesha	Small business	0.15	2,620	Cow rearing, Vegetable cultivation	6,000	Small business	8,000	Cow rearing	6,000	Small business	10,000	Purchase Rice husking machine	5,000	Purchase Driving license	√
11	Nur banu	Grocery	No land	2,000	Vegetable cultivation	9,000	Poultry rearing	10,000	Small business	8,000	Small business	5,000	Purchase Driving license for son	4,000	Grocery shop	√
12	Bela	Small business	0.60	3,060	Small business	30,000	Sweet business	15,000	Sweet business	10,000	House building	10,000	Sweet business	5,000	Sweet business	√
13	Babli	Nut business	0.60	4,300	Health education	15,000	Small Business	8,000	Cow rearing	6,000	Small business	5,000	Small Business	4,000	Small Business	√
14	Gouri	Agri	0.90	4,607	Tree Nursery	6,000	Nut business	5,000	Small Business	5,000	Small business	5,000	Poultry rearing	5,000	Small Business	√
15	Sushanti	Nut business	0.60	4,630	Tree Nursery	5,000	Nut business	5,000	Nut business	-	-	-	-	-	-	-
16	Aroti	Iron business	No land	3,860	-	10,000	Grocery shop	5,000	Grocery Shop	14,000	Grocery Shop	4,000	Grocery Shop	-	-	-
17	Jotsna	Stone business	1.20	3,623	Small Business	-	-	5,000	Stone business	4,000	VCD business	2,000	Goat rearing	-	-	-
18	Usha	Fish business	30	2,860	-	8,000	Fish cane, cane/bamboo business	8,000	Fish culture, cane/bamboo business	5,000	Fish culture, cane/bamboo business	5,000	Fish culture, cane/bamboo business	2,000	Cane/ bamboo business	√
19	Rekha	Service/ business	1.50	4,090	-	12,000	Stone business	10,000	Medicine business	10,000	Medicine business	5,000	Medicine business	5,000	Medicine business	-

Annex- 7

Terms of Reference For MID-TERM EVALUATION OF FPH-IGA Project

Review of impact of project activities of FPH-IGA in terms of improving livelihood through involving in IGA and education, of the poorest communities in the intervention areas.

Context and background :

VARD is implementing Flood Protected Housing and Income Generation Activities phase-II. (FPH-IGA Phase-II) project from January 2002 in 2 Upazilas (Goainghat and Kamolgonj) under Sylhet and Moulvibazar districts aiming to Enhanced Socio-economic capacities of the poor and marginalized families. During the period project has completed three areas of its project life. Strategically VARD and its development partner Stromme Foundation (SF), Norway wants to know the situation of the project progress, impact of the project activities in the life of the project participants as well as the changes of livelihood pattern of community, which will suggest to continue the project or to redesign the project incorporating innovative activities to achieve the goal and objectives of the project.

Purpose of Mid Term Evaluation :

The overall purpose of the study investigate : to what extent the project has achieved its objectives in terms of reaching the poorest with level of awareness of the community in issues relating to sustainable livelihood, basic human rights, education and their practice.

Specific objectives :

The specific objectives of the proposed study are as follows :

1. To determine whether or not the activities are accessible to the poorest communities of the intervention areas.
2. To examine whether or not the service delivery mechanism is conducive to reaching the vulnerable group especially to the women and children.
3. To examine and assess the effects and impact of the project.
4. To assess the specific objectives of the project in relation to income and employment have helped them for and average life in the project areas.
5. To prepare a set of recommendations based on the findings of the study on the present approaches and strategies for future direction.

Mode of operation:

It is envisioned that the evaluation team will follow a participatory method of evaluation Primary and Secondary data will be collected for interpretation and analysis. The evaluator team members would feel free to discuss among them to fix up the evaluation activities.

Evaluation design :

This will be a descriptive study with cross sectional design.

Data will be collected from the community based on two –stage random sampling.

Area :

The study will be conducted in Goainghat Upazila of Sylhet district and Kamalgonj Upazila of Moulvibazar district where VARD is implementing FPH-IGA project with financial and technical support from SF Norway.

Data collection methods :

1. Data will be collected from the community through structured questionnaire, Questions will be both open ended and closed. The open ended questions will give scope for wider and in-depth opinions of the respondents to be obtained.
2. Data from the providers will be collected through structured questionnaire, Questions will be both open ended and closed.
3. Registers and reports of services will be examined to assess the quantitative performance and progress.

Team Composition :

The evaluator team should be consisting of three members:

- SF representative –01
- VARD representative
- Mr. Bhabatoash Nath (Team Leader), Development Consultant

Time Frame :

Field works should cover within 5 days take place from 20 January 2006. The draft report should be presented within the 15 days of field research to SF and VARD. After receiving the comments report will be finalized.

Cost :

The cost for the mid term evaluation team which will cover the expenditure of food, accommodation, travel & transportation, prepare and printing of report and other items relevant to evaluation will be borne by SF. Norway.

Concluding Remarks :

The team is free to make the necessary adjustments and addition to the TOR in close collaboration with VARD management in extent that the main focus of the evaluation is safeguard.