

Evaluation of Netherlands-funded NGOs in Bangladesh

Ministry of Foreign Affairs, Policy and Operations Evaluation Department (IOB)

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Preface

The evaluation of Netherlands supported NGOs in Bangladesh forms part of a study undertaken by the Policy and Operations Evaluation Department (IOB) on the Netherlands bi-lateral aid programme for Bangladesh in the period 1972–96. The support to NGOs through the regular aid programme and through the Co-financing Programme has been important to the Netherlands' pursuance of poverty alleviation objectives in Bangladesh. A total of Dfl. .247 million has been disbursed through these channels, some three quarters of which after 1990.

The position of NGOs in Bangladeshi society is quite unique. Bangladesh is home to the largest national NGOs in the world, as well as to a multitude of middle- and small-sized NGOs that operate on a national, regional or local level. The Bangladeshi NGOs literally reach out to millions of people in both rural and urban areas. This study comprises extensive case studies of a cross section of NGOs in Bangladesh. Both the Bangladeshi NGOs that were subject of study and their partners in the Netherlands, Bilance (formerly Cebemo), ICCO and Novib, have been closely involved in the various stages of the study.

The study has concentrated on the credit and training activities that constitute the mainstay of NGO programmes. It is concluded that these activities effectively target the poorer sections of the population, particularly women. The sustained success of credit and savings groups still depends largely on the presence of NGOs, most of whom in turn depend on their overseas partners. Some large credit programmes are now maturing into well-managed self-sustaining funds; the less successful act more as a safety net to the poor rather than that they sustainably alleviate poverty.

IOB constitutes an independent unit within the Ministry of Foreign Affairs, responsible for evaluation of the Ministry's policies and operations. A more detailed description of IOB is provided in Annex 1. The study was coordinated by Frans Makken (IOB) and Bert van de Putte, whilst an advisory group of external and internal experts advised on methodology and commented on draft reports. The evaluation of NGO programmes

was led by Dr David M. Todd, Social Development Consultant, whilst the fieldwork was executed under the supervision of Dr Tasneem Siddiqui of the University of Dhaka. Many other individuals, both from the Netherlands and Bangladesh, have contributed to this study; a list of their names is provided in Annex 3 of this report. IOB, however, bears sole responsibility for the report.

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Glossary

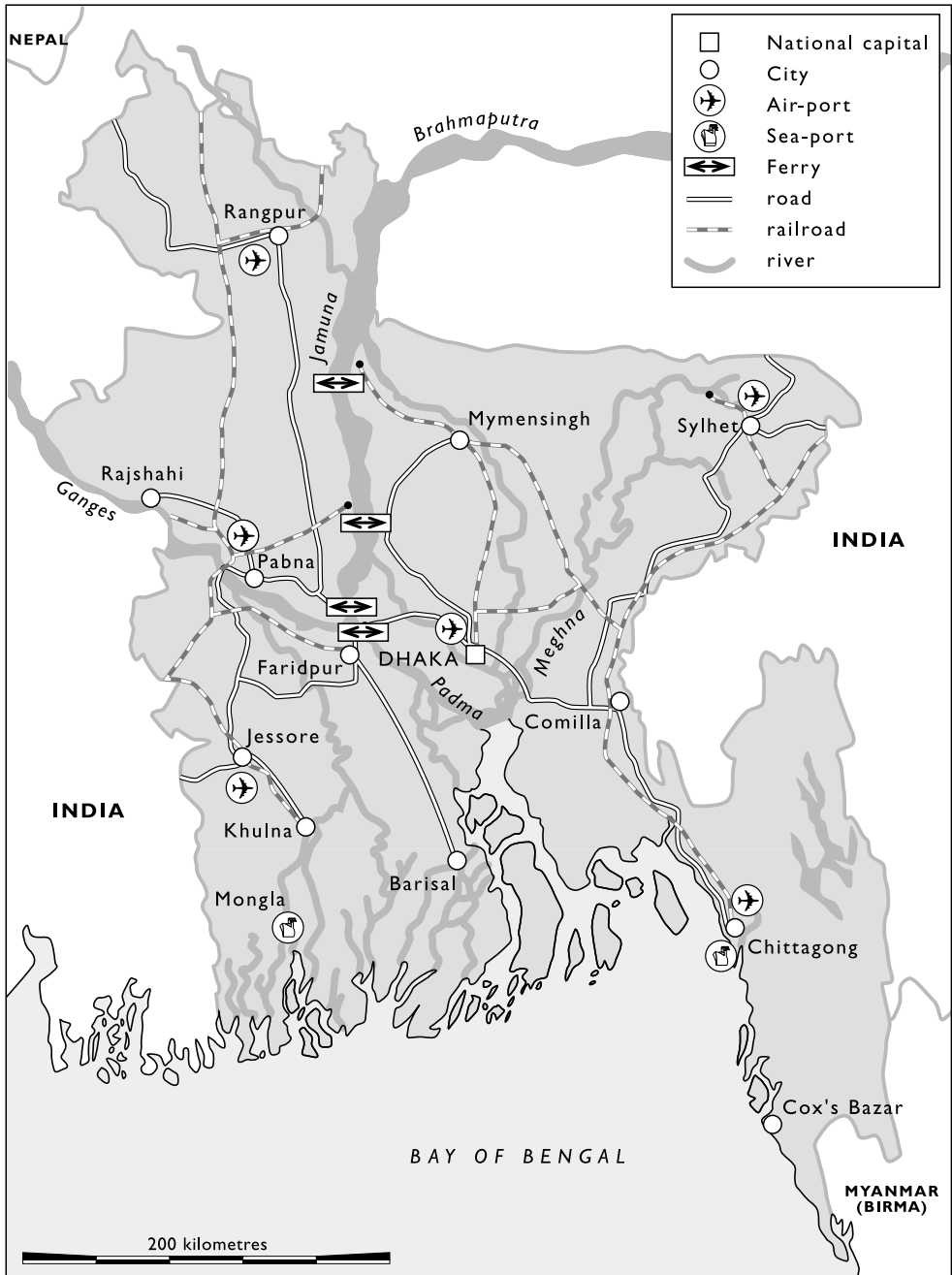
Borka	– Black dress worn in observance of purdah
Char land	– Land newly accreted by silt deposition
Khas	– Untitled land and ponds, of which Government is assumed to be the owner
Pourashava	– Municipality
Purdah	– Islam rules of seclusion for women
Samity	– Society, organised group
Santhal	– Member of tribal minority group
T(h)aka	– Bangladesh Currency Unit (about 45 per US\$ at the time of the study)
Thana	– Unit of local government administration, usually formed of 6 to 8 unions
Union	– Smallest administrative unit in the country, about 4,400 in the country
Upazila	– Sub-district (462 in country)

Abbreviations

ADAB	– Association of Development Agencies in Bangladesh
ADB	– Asian Development Bank
ADC	– Area Development Centre
ADP	– Aquaculture Development Programme
APHD	– Hong Kong-based NGO
AHPBAE	– Sri Lankan NGO
APRODEV	– Association of Protestant Development Agencies
ASA	– Association for Social Advancement
BARRA	– Bangladesh Rural Reconstruction Association
BDS	– Bangladesh Development Society (formerly Barisal Development Society)
BIDS	– Bangladesh Institute of Development Studies
Bilance	– Catholic Organisation for Development Cooperation, formed from a merger of Cebemo and Vastenaktie
BRAC	– Bangladesh Rural Advancement Committee
BRDB	– Bangladesh Rural Development Board
CAFOD	– Catholic Fund for Overseas Development
CARE	– Co-operative American Relief Everywhere
CCDB	– Christian Commission for Development in Bangladesh
CDA	– Community Development Association
Cebemo	– Catholic Organisation for Development Cooperation, Co-Financing Agency (old name)
CFA	– Co-Financing Agency
CFP	– Co-Financing Programme. Programme of activities undertaken through CFAs.
CIDA	– Canadian International Development Agency
CO	– Community Organiser
CP	– Comprehensive Programme
DAC	– Development Assistance Committee of the OED
DAM	– Dhaka Ahsania Mission
DANIDA	– Danish International Development Agency
DC	– Deputy Commissioner (senior government officer at District level)
DEEDS	– Development Education and Extension Services, programme of NGO Caritas Bangladesh
DEW	– Development Education Worker
DFID	– Department for International Development (UK)
Dfl.	– Dutch Florin
DGIS	– Netherlands Directorate of International Cooperation
DIA	– Dutch Interchurch Aid
DPO/MP	– NGO/Co-financing Programme Section of Ministry of Foreign Affairs

DTH	– Directorate for Technical Help (predecessor to DGIS)
EC	– European Community
ED	– Executive Director
EDW	– Economic Development Worker
EIG	– Employment and Income Generating project
EPI	– Expanded Programme of Immunisation
EZE	– Evangelische Zentralstelle für Entwicklungshilfe
FIVDB	– Friends in Village Development Bangladesh
FAP	– Flood Action Plan
FE	– Functional Education
FW	– Field Worker
GDP	– Gross Domestic Product
GK	– Gonoshasthya Kendra
GNCC	– Government–NGO Consultative Council
GNP	– Gross National Product
GO	– Group Organiser
GOAL	– Irish NGO
GOB	– Government of Bangladesh
GOM	– Consultative Bureau of the CFAs
GON	– Government of Netherlands
GSS	– Gono Shahajjo Sangsta
HEKS	– Swiss Co-financing Agency
Hivos	– Humanistic Institute for Cooperation with Developing Countries
HRLE	– Human Rights and Legal Education Programme
HYV	– High-Yielding Variety
IAS	– Impact Assessment Study
ICCO	– Inter-Church Organisation for Development Cooperation, Co-Financing Agency
ICDA	– Integrated Community Development Approach
ICDDR	– International Centre for Diarrhoeal Research, Bangladesh
IDP	– Integrated Development Programme (or Project)
IHDP	– Integrated Human Development Programme
ILEIA	– Information Centre for Low-External-Input and Sustainable Agriculture
IOB	– Policy and Operations Evaluation Department of the Netherlands Ministry of Foreign Affairs (previously Operations Review Unit, IOV)
IRDP	– Integrated Rural Development Programme (or Project)
ITC	– International Training Centre
IWDP	– Integrated Women’s Development Programme
Kcal	– Kilocalorie
Kg	– Kilogram
MFP	– Medefinancieringsprogramma (Co-financing Programme of DGIS and CFAs)
MIS	– Management Information System
MP	– Member of Parliament
NFPE	– Non-Formal Primary Education
NGNESP	– NGO Gardening and Nutrition Surveillance Project
NGO	– Non-Governmental Organisation
NGOAB	– Non-Governmental Organisation Affairs Bureau
NK	– Nijera Kori
NORAD	– Norwegian Agency for Development Cooperation

Novib	– Netherlands Organisation for International Development Cooperation
ODA	– Overseas Development Assistance
ODA	– Overseas Development Administration (UK), now DFID
OECD	– Organisation for Economic Cooperation and Development
Oxfam	– UK-based NGO
PA	– Programme Assistant
PACT	– Private Agencies Collaborating Together, US NGO
PF	– Peoples’ Forum
PFM	– Programme Financing Model. Mode of financing CFA programmes
Ph.D.	– Doctor of Philosophy
PKSF	– Palli Karma Sahayek Foundation
PO	– Programme Officer or Project Officer
PPP	– Peoples’ Participatory process
PPRDP	– Peoples’ Participatory Rural Development Programme
PRIP	– Former technical assistance project of US NGO PACT, now a Bangladesh NGO
RC	– Regional Coordinator
RCP	– Rural Credit Programme
RDP	– Rural Development Project
RDRS	– Rangpur Dinajpur Rural Service
RLF	– Revolving Loan Fund
RNE	– Royal Netherlands Embassy
SF	– Shakti Foundation
SIDA	– Swedish International Development Agency
SMUS	– Sharbik Manob Unnoyon Shangothon (apex organisation of Caritas member groups)
SIDA	– Swedish Agency for International Development
SRF	– Samity (Society) Representative Forum
SSS	– Society for Social Service
SU	– Shaw Unnayan
TARD	– Technical Assistance for Rural Development
TBA	– Traditional Birth Attendant
TCC	– Thana Coordinating Committee
TERC	– Training, Evaluation and Research Cell of Caritas Bangladesh
TNO	– Thana Nirbahi Officer
TRIEMU	– Training, Research, Investment, Education and Monitoring Unit
TW	– Technical Worker
UNICEF	– United Nations Children and Education Foundation
UCC	– Union Coordinating Committee
UO	– Unit Officer
USC(C)	– Unitarian Service Committee of Canada
VCC	– Village Coordinating Committee
VO	– Village Organisation
VPO	– DGIS aid category, Food Aid and the Private Sector
WB	– World Bank
WCC	– World Council of Churches
WHO	– World Health Organisation
WID	– Women in Development



Map 1 General topography of Bangladesh

Main findings

Introduction

The Netherlands support to Bangladeshi NGOs is mainly geared to the pursuance of poverty alleviation, first in rural but of late also in urban areas. In Netherlands policy documents for Bangladesh, the support to NGOs has alternately been described as rural credit supply (1989–92), or integrated rural development (1992–95). However, considering the target groups of Bangladeshi NGOs: rural and urban poor and particularly women among them, the common denominator of the Netherlands-funded NGO activities has been poverty alleviation. The evaluation concentrates on credit, training and related services of Bangladeshi NGOs, conducted with support from the Co-Financing Agencies (CFAs) Novib, ICCO and Cebemo (now Bilance), or from the Royal Netherlands Embassy in Dhaka. It does not cover some other major activities of NGOs, notably emergency relief, health and education. Poverty alleviation is an important objective of the overall Netherlands' development cooperation programme with Bangladesh. Since Independence in 1971, some Dfl. 247 million was spent on assistance to NGOs. This is around 9 per cent of the total Government of Netherlands Country Programme in the period 1972–96. NGOs receiving assistance have implemented programmes mainly targeting the following issues:

- poverty alleviation;
- conscientization and mobilisation of local groups;
- development of local and regional organisations of the poor to defend their rights and interests.

In recent years, the Embassy in Dhaka has also substantially assisted NGO programmes, particularly in the fields of education, health, women's activities and income generation. The study expanded from its original exclusive concentration on CFA-assisted programmes to take account of this development.

Evaluation of Netherlands-assisted programmes of NGOs

Fifteen fieldwork-based assessments were undertaken of NGO activities receiving Netherlands' assistance. These were supported by desk studies and interviews with key stakeholders.

Policy relevance

The NGO programmes are expected to promote progress towards: *structural poverty alleviation, promotion of women in development, strengthening the rights of the individual and environmentally sustainable development.*

Structural poverty alleviation implies a sustainable improvement in the position of poor individuals and groups. The activities undertaken by all NGOs studied are targeting structural poverty alleviation and are therefore relevant to this goal. All of the NGOs studied are also *promoting the interests of women* through their programmes. In the fifteen NGOs studied, between 50 per cent and 100 per cent of direct beneficiaries are women. The NGOs studied also tackle the policy goal of *strengthening the rights of the individual*, through such activities as conscientization, legal rights training, improving awareness of and access to Government services, literacy and non-formal education and emphasising the need for the poor to participate in democratic processes. Most programmes are intended to be *environmentally neutral or positive*. Areas in which benefits are specifically targeted include: sustainable land use, roadside tree planting and maintenance, and lobbying on environmental issues.

Effectiveness

Credit (and savings) programmes are the major activity targeting poverty alleviation. Two streams of activity have emerged. On the one hand, there are programmes which supply regular and reasonably high amounts of credit to the 'moderately poor' on a semi-commercial basis. These achieve high repayment efficiency and help move these beneficiaries out of poverty. Such operations do not reach the so-called 'hard core poor' who have insufficient productive investment opportunities to generate the loan repayments. On the other hand, there are NGOs which supply small, or large but irregular, amounts of credit. These achieve varying repayment rates and are not sustainably alleviating poverty, but are rather providing a 'safety net'.

Training has had a mixed impact on poverty among its clients. Skills-based training associated with credit is seen by most of the poor as the combination necessary to offer

the potential for economic improvement. Training in the broad fields of empowerment and health and nutrition can play a positive role, but are less valued by the clients than skills training. An area into which few NGOs have ventured, but which is commonly cited as the real need of many of the poor, is the creation of *non-farm employment* opportunities. Tribal communities in particular cited this as having far more potential value than credit.

With regard to *gender impacts*, women are the major direct recipients of credit. It appears that in some rural areas, little of the credit is actually used by women, but that in others they may use as much as half of it themselves. However, even where women have little direct role in the use of the credit, they find a substantial advantage in participating in the programme, because their respect in the household is greatly enhanced by being the route to credit.

One weak point encountered in many of the NGOs receiving Netherlands' assistance is in their internal *gender-related policies and practices*. Few have succeeded in recruiting substantial numbers of female staff and even fewer have a reasonable proportion of female managers. However, it appears that many NGOs are now taking this issue seriously and a number have formulated and begun to implement gender policies.

Social Empowerment achieved by the programmes is not as dramatic as originally hoped for by the NGOs. Even though NGOs provide a wide range of services and activities covering much of the country and with millions of participants, these have not led to any major change in the social order. Fundamental factors of rural society, notably the unequal distribution of power and the prevalence of landlessness have not changed.

However, participation in group meetings and activities promotes a heightened degree of self-confidence among the poor over time. Women in particular gain a degree of acceptance of their right to move about and even to visit offices of NGOs or Government to access services. The NGOs have therefore reduced the degree of isolation imposed on women. This is a notable achievement. The greatly increased participation of women in the recent national elections has been cited by NGOs as partly a side-effect of this gradual entry of women into public life.

With regard to *environmentally sustainable development*, most of the programmes of NGOs are positive or neutral. Rural credit and training are mainly used for small-scale economic activities such as trading or farming. Others have substantial programmes of roadside tree planting and maintenance. Several NGOs are active lobbyists for development and adoption of sustainable land use policies in Bangladesh. Many NGOs are active lobbyists against specific large-scale water resource management projects, notably some of those under the Flood Action Plan, which they see as socially and environmentally damaging.

Efficiency of the NGO programmes

Factors contributing towards efficiency include the following:

- *specialised programmes* (concentrating on a small range of activities) are easier to run efficiently than are *holistic programmes* (which try to tackle a broad range of dimensions of poverty);
- nevertheless, even very large *holistic programmes* are being run efficiently by some NGOs;
- programmes of small NGOs often suffer from insufficient funding and/or from lack of access to best management practice through training;
- programmes in which *partial management responsibility* (excluding financial management) is given to member groups are being run efficiently by several NGOs studied;
- programmes in which *full hand over, including financial management*, to member groups is practised have so far not been able to achieve efficiency.

Sustainability

The issue of *sustainability* has two dimensions. The sustainability of the NGOs can itself be considered a key issue. This clearly relates to whether or not donors will continue to support them, since most are highly dependent on international funding. At the next level, the practice of ‘phasing-out’ NGO support to member groups is practised by some NGOs in the hope that the village organisations and their higher-level federations (where formed) will themselves eventually be able to survive without their ‘parent’ NGO.

It can be seen that some NGOs are well on the way to achieving financial self-sufficiency for their credit operations. Credit provision can become self-sustaining, but substantial skills-training programmes cannot be funded out of service charges. And yet, in the minds of many poor villagers, it is the combination of resources and skills which presents the possibility of self-improvement and not simply access to money.

Other programmes, most notably in the area of non-formal primary education, continue to require huge donor inputs and will never be in any other position. The concentration of many NGOs and their donor partners, on the need to raise social consciousness and change the structure and values of society, also seems highly unlikely to be sustainable without substantial and long-term external support.

Evaluation of assistance channels to NGOs

Co-financing agencies

Co-financing agencies from many countries have channelled large sums of money to the Bangladeshi NGO sector since the country gained Independence. This has enabled the sector to grow more quickly and on a much larger scale than in most other developing countries.

The relationships between Dutch CFAs and Bangladeshi NGOs are perceived on both sides to be partnerships, often based on ‘like-mindedness’ related to religious and/or historical ties.

For the partners, these relationships go far beyond the provision of financial resources, although the long-term support of ‘core programmes’ has been a major benefit to them. Dialogues on broad principles such as development strategies, joint lobby ventures, empowerment of the poor and human rights are thought to benefit both sides of the partnership.

As well as this somewhat intangible ‘added value’ of CFAs, there are tangible gains to NGOs through the CFAs’ political lobbying in the Netherlands, mobilising public opinion to support assistance to Bangladesh, fostering institutions necessary to reinforce ‘civil society’, enlarging cooperative networks and extending the range of international donors accessible to the NGOs.

CFAs have assisted in the development of donor consortia, which have helped several larger NGOs to scale-up their operations in an efficient manner, through the reduction of duplication of administrative and financial reporting.

The three CFAs have distinct constituencies in the Netherlands, as well as complementary networks of European and world-wide CFA and NGO contacts, and each has strong historical links with a number of key partners in Bangladesh.

Through their networks, CFAs provide Bangladeshi NGOs with linkages to NGOs operating elsewhere in the Asian region, or even further afield, so that experiences and effective approaches can be shared.

CFAs make important contributions through facilitating the training of NGO senior staff, by providing consultancy services to NGOs, by assisting NGOs to mount or to attend relevant international workshops, by facilitating the (now largely historical) indigenisation

process of NGOs, by helping partners to develop such resources as Vision, Mission and Strategy statements and by organising partners' meetings in Bangladesh.

Procedures to make the NGOs financially accountable have been vigorously pursued by the CFAs. Progress reports, internal assessments, monitoring and evaluation studies are also produced and critically assessed. However, there are very few high-quality studies of the impacts of NGO operations, or authoritative evaluations of specific programmes.

The urge to economise on administrative and overhead costs appears to be influencing the CFAs to channel aid increasingly to large programmes and organisations. This will not necessarily promote the most effective use of resources, since the evaluation shows that small NGOs can be effective and innovative, and sometimes reach remote areas, which are not always serviced by larger NGOs.

Small NGOs feel that they have less access to the support and services of the CFAs than do big NGOs, even though they need these more. In addition, they are rarely offered the same long time frame of assistance that larger bodies receive.

Overall, the CFAs have made a major positive contribution to the development of NGOs in Bangladesh. Several of these NGOs are known as world-wide leaders in this sector and their concepts and practices have been adopted by others within the country and internationally. However, the CFAs have so far missed the opportunity to maximise their contribution, by acting largely independently of one another. In recent years, some progress has been made in this respect. Nevertheless, the degree of cooperation between the CFAs on specific issues of common interest, such as credit management, overlapping membership of NGOs and the future of federated systems, could be further strengthened to the benefit of all parties.

The Royal Netherlands Embassy

In recognition of the quality and effectiveness of their programmes, some Bangladeshi NGOs are now receiving funds direct from the Ministry through the Embassy. The major example is the BRAC Non-Formal Primary Education Programme, which is funded directly through the Embassy. There are also large-scale programmes in the health sector.

Another modality of direct funding is the involvement of some NGOs in the implementation of specific components of bilateral projects. The water sector is the major one in which this has occurred with Netherlands-Assisted Projects in Bangladesh. This type of cooperation is not always successful, largely because NGOs often have to accept project

designs in which they have had no planning role. In certain instances, there may also be a perceived conflict of interest between the poor target group and the manner in which a project is being implemented.

The Embassy also has an Embassy Small Fund and a Women's Fund at its disposal. These are used flexibly, notably to support women's projects and activities in the water sector.

The posting of additional sector specialists has intensified the communication between the Embassy and the NGOs, and the Embassy is increasingly taking the initiative to involve NGOs in the implementation of bilateral programmes.

To date, NGOs have a mixed reaction to this increasing involvement. Some note that, although Embassy staff are locally-based, they often appear to have such substantial workloads that they are unable to visit the field for any meaningful period of time. Furthermore, they observe that Embassy specialists have a rapid turnover (mostly within 3 to 5 years) and that relatively little experience and knowledge is passed from one incumbent to the next.

The NGOs therefore often encounter a discontinuous and sometimes contradictory relationship with Embassy specialists, which they compare unfavourably with the long term, mutually supportive and cumulative relationship established with their CFA partners.

However, some smaller NGOs indicated that they have been offered more assistance in such areas as training and accountancy from the Embassy than is available to them from CFAs.

Summary

1 Introduction

The Netherlands support to Bangladeshi NGOs is mainly geared to the pursuance of poverty alleviation, first in rural but of late also in urban areas. In Netherlands policy documents for Bangladesh, the support to NGOs has alternately been described as rural credit supply (1989–92), or integrated rural development (1992–95). However, considering the target groups of Bangladeshi NGOs: rural and urban poor and particularly women among them, the common denominator of the Netherlands-funded NGO activities has been poverty alleviation. The evaluation concentrates on credit, training and related services of Bangladeshi NGOs, conducted with support from the Co-Financing Agencies (CFAs) Novib, ICCO and Cebemo (now Bilance), or from the Royal Netherlands Embassy in Dhaka. It does not cover some other major activities of NGOs, notably emergency relief, health and education. Poverty alleviation is an important objective of the overall Netherlands' development cooperation programme with Bangladesh. Since Independence in 1971, some Dfl. 247 million was spent on assistance to NGOs. This is around 9 per cent of the total Government of Netherlands Country Programme in the period 1972–96. NGOs receiving assistance have implemented programmes mainly targeting the following issues:

- poverty alleviation;
- conscientization and mobilisation of local groups;
- development of local and regional organisations of the poor to defend their rights and interests.

In recent years, the Embassy in Dhaka has also substantially assisted NGO programmes, particularly in the fields of education, health, women's activities and income generation. The study expanded from its original exclusive concentration on CFA-assisted programmes to take account of this development.

2 Poverty and the NGO sector in Bangladesh

2.1 *Poverty in Bangladesh*

The population of Bangladesh in 1995 was estimated to be about 120 million people, of whom 80 per cent live in rural areas. These areas are characterised by extremely unequal access to land, which is the critical productive resource. The top 10 per cent of landowners own some 60 per cent of the land, whilst the bottom 60 per cent hold in total only 1 per cent of the available land. Thus, between 50 and 60 per cent of the rural population are functionally landless (i.e. they own too little land to support their households from it). The small class of substantial landowners has developed a broad range of roles in rural society, as land-leasers, money lenders, merchants, legal authorities and village leaders. They therefore have a substantial degree of control over rural areas and their population, which they exert for their own benefit in response to development initiatives from outside parties.

In almost all rural areas, the supply of labour is much higher than the available agricultural work. A recent study by the Bangladesh Institute of Development Studies shows that rural income from manual labour grew at the slowest rate of all sectors, because of the oversupply, and that the real value of agricultural wages is steadily declining. Opportunities for the poor outside this sector are also extremely limited. The only area in which the poor show some relative gain in recent years is in trading, in which they have become increasingly active. The Institute attributes this improvement to the growth of governmental, private and non-governmental programmes which are providing the poor with access to credit for self-employment activities, which concentrate particularly in the field of small-scale trading.

About 46 per cent of the population are females. They suffer substantial disadvantages in Bangladesh society, including the following: poorer nutritional status, lower life expectancy, less access to education and literacy, lower participation in the labour force and less wages for comparable work. The poorest position of all is held by female headed households, and there are many restrictions imposed by the religious requirements of *purdah*.

2.2 *History and role of NGOs in Bangladesh*

There are some 13,000 local organisations operating in the field of voluntary social welfare activities in Bangladesh. They are not included in this study, which concentrates on developmental NGOs. Nearly 900 such bodies are now registered with the Government's

NGO Affairs Bureau. Of these, 64 currently receive assistance from the Netherlands CFAs and about another 15 from the Embassy.

Early NGO attempts to work with the poor had an ideological focus, placing emphasis on the process of 'conscientization'. This entailed raising the awareness of the poor concerning the structural reasons for their poverty and their need to cooperate with one another, in order to overcome the socio-political system which oppresses them. Whilst some NGOs retain their concentration on this process, many others now place their major emphasis on provision of services, and most particularly credit, with conscientization remaining as a relatively minor component of activities in the field.

2.3 Major sectors of NGO operation

NGOs currently operate in a comprehensive range of sectors including: integrated rural development, savings and credit, family planning, income generation and training, women's development, health, education, adult education, relief and rehabilitation, social awareness and motivation, agriculture, fisheries, legal aid, human and civil rights, rehabilitation of blind and/or disabled, child development, children's homes and orphanages, environment and forestry, and public health. These operational sectors are combined in various ways to meet local needs, NGO capacities and donor and/or Government of Bangladesh interests.

In addition to these specific activities, many of which can be grouped under the broad rubric of poverty alleviation, most NGOs have an underlying concern to raise the capacity of the poor to participate in national social and democratic processes. This is undertaken through raising the organisational strength of the poor by group formation and development, as well as by encouraging the poor to avail themselves of Government services and to participate in national and local elections.

2.4 International funding of NGOs

NGO fund flows contain both inputs for regular programmes and projects and one-off amounts to alleviate the impacts of the natural calamities which regularly strike various areas of the country. In 1992, for example, some \$150 million of funding from external donors was received by Bangladeshi NGOs, supporting over 1,000 projects. Some \$58 million of this was intended for cyclone relief and rehabilitation work. At this time, there were about 20 major bilateral and multilateral donors, 13 of which were each providing over \$1 million per annum. Western CFAs and NGOs were another major source of

incoming funds. By this time, the NGO recipients of international funds were already highly concentrated, with between 25 and 30 of the largest NGOs receiving around 80 per cent of international donor funding. Although available data do not permit a precise calculation, it seems that the Netherlands' proportion of overseas aid to NGOs reached a high point of just over 10 per cent in 1992, but that this is now slightly declining as multilateral and other sources increase.

2.5 *Netherlands' funding of NGOs*

The following table gives an overview of the Netherlands' aid flows to Bangladeshi NGOs in the period 1972–96 (in Dfl. million). These figures exclude emergency aid.

Netherlands support to Bangladeshi NGOs in the period 1972–96 (Dfl. million)

Source	1972–76	1977–81	1982–86	1987–91	1992–96	Total
Co-Financing Programme:						
Novib	2.2	10.0	19.4	16.6	33.9	82.1
Cebemo	2.0	1.2	2.7	6.1	21.1	33.1
ICCO	0.7	2.6	5.4	7.0	33.7	49.4
Bilateral through CFAs:						
Novib	0	0.2	0.8	23.1	30.5	54.6
Cebemo	2.4	0.7	0	2.0	0	5.1
ICCO	0	0	0	5.9	2.2	8.1
Bilateral to NGOs:						
BRAC	0	0	0	0	17.5	17.5
Care	0	0	0.2	1.9	1.1	3.2
SOH/ASA	0	0.1	0	1.9	2.5	4.5
Others	0	0.8	0.7	3.6	2.4	7.5
Total	7.3	15.6	29.2	68.1	144.9	265.1
As percentage of total aid	6%	3%	4%	10%	24%	10%

Source: Ministry of Foreign Affairs data base.

Netherlands CFAs have substantially increased their flow of Co-Financing Programme resources to Bangladeshi NGOs since 1992. ICCO and Cebemo have done so more than Novib, which started at a higher point. Channelling of bilateral funds through CFAs gained substantial momentum after 1987, mostly through Novib, whilst direct funding of NGOs, without CFA involvement, increased substantially after 1992 (and particularly after 1994). In the period 1992 to 1996, the total flow of Netherlands' funding to NGOs, as well as the proportion of assistance to NGOs in the overall country programme, more than doubled as compared with the previous period. The expenditure of Co-Financing

Programme funds of the three CFAs operating in Bangladesh, as a proportion of their own total programme, rose from between 10 and 15 per cent in the 1970s to more than 20 per cent in the mid-1990s.

2.6 *Collaboration between Government and NGOs*

The relationship between the Government of Bangladesh and NGOs has been erratic and sometimes problematic, but is now generally regarded as increasingly constructive. The main areas in which Government systematically cooperates with NGOs are primary education, health and family planning. In other sectors, NGOs have been allowed to operate as sub-contractors on Government projects. In a limited number of cases, Government has channelled foreign funding to NGOs as major implementers. Some of the larger NGOs themselves are, at least at the national level, seeking to bring their activities into a coherent relationship with Government policies and programmes. However, this more cooperative approach between Government and NGOs has not yet generally filtered down to local levels, where coordination is also essential to maximise benefits of scarce resources.

3 Objective and methodology of the evaluation

3.1 *Objective*

The main objective of the study is to provide an evaluation at two levels: of the activities supported by the Netherlands in terms of effectiveness (including impact), efficiency and sustainability of implementation, and of the policy relevance (in view of the policy priorities of both Bangladesh and the Netherlands) of the overall programme.

The key questions that the study addresses are the following:

- What is the relevance of the Netherlands' support to Bangladesh?
- Was the support effective and efficient?
- What has been the advantage of the institutional routing of most of the aid through CFAs and NGOs?
- Are the achievements sustainable, or can they be expected to be sustainable?
- What has been the relation between the support given, the overall policy priorities of the Netherlands' development cooperation programme and the development priorities of Bangladesh?

3.2 *Scope, methods and limitations of the study*

In terms of methodological limitations, the main constraint anticipated was the relatively limited amount of fieldwork which could be undertaken in comparison with the enormous scale of NGO operations in Bangladesh. These directly reach more than 4 million members, representing total beneficiaries in excess of 25 million people (based on household size in rural areas). In this respect, it is important to emphasise that the role of the case studies undertaken of fifteen NGOs is to provide insights into the achievements of NGOs in poverty alleviation in Bangladesh *as a whole* and into the overall contribution of Netherlands' assistance to these achievements. Most NGOs, and particularly the larger ones, have several donors and a range of activities. Fieldwork in any individual organisation concentrated only on a programme receiving Netherlands' assistance and did not attempt to assess the NGO's overall range of activities. Assuming that the Netherlands' share of the total international funding received by NGOs for programmes in poverty alleviation is translated into benefits for group members on a pro rata basis, it can be estimated that there are not less than 400,000 direct beneficiaries from the Netherlands' assistance, representing some 2.5 million household members.

In order to provide a sufficient basis of evidence upon which to assess the contribution of NGOs to poverty alleviation, the fifteen fieldwork-based assessments were placed in the context of and supported by, the files of the three CFAs and the Embassy, a considerable body of detailed studies of the programmes of individual NGOs, executive interviews with key stakeholders and reference to numerous studies of the Bangladeshi NGO sector already undertaken for academic purposes or commissioned by other donors. It is considered that the combination of original fieldwork and secondary sources provides sufficient information for the specific purposes of the evaluation.

As a check on the reliability of data and interpretations, draft versions of relevant components of the report, including the detailed case studies, were discussed with the NGOs participating and with the CFAs, and modified appropriately before the final report was prepared.

4 Policy priorities of Netherlands' development cooperation and of the CFAs

4.1 *Netherlands' Government policies*

Policies of Netherlands' development cooperation have consistently focused on four priorities:

- promotion of economic development, initially narrowly interpreted as GDP growth, later redefined as economic self-reliance;

- poverty alleviation;
- environmental concerns;
- women in development.

The policy modifications made by individual Ministers responsible for Development Cooperation can be seen as representing refinements in emphasis among these four priorities, rather than fundamental changes in orientation. Widespread extreme poverty was the main justification and motivation to include Bangladesh as one of the concentration countries for Dutch aid. Poverty alleviation, therefore, has been the main objective of Netherlands' assistance in Bangladesh throughout the years.

4.2 *Policies of the CFAs*

Under the Co-Financing Programme, CFAs choose in which countries they will operate, and they are not obliged to follow official Netherlands' development policy or country strategies in them. In Bangladesh, the CFAs have broadly similar policy priorities and manners of working to one another. They concentrate on: 'structural poverty alleviation' as the core of their programmes, as well as empowerment of the poor, protecting the environment, human rights, improving the position of women, assisting minorities, provision of education and other social services, and development of income-generating opportunities.

A major strategy to address these issues is the implementation of integrated rural development programmes. A common underlying approach of the CFAs is the development of long-term partnerships with a limited number of NGOs, through the means of programme financing and, even more comprehensively, institutional financing. Project financing is now largely seen as a way of trying out new partnerships which have the possibility of leading to a long-term relationship.

Some differences do emerge between the three CFAs in terms of the balance between different activities and their means of attaining their objectives. These include:

- Novib has a stated intention to finance some projects for the urban poor;
- ICCO and Cebemo have traditionally had 'disproportionately large' links with church-related organisations, which only recently show substantial change;
- Novib and ICCO have clear policies to support mainly medium- and large-scale projects, while Cebemo has not yet emphasised this so clearly;
- the three CFAs have mainly discrete networks of contacts and partner organisations in Bangladesh (as well as in Europe and world-wide).

5 History and partnerships of Netherlands CFAs and the RNE with NGOs in Bangladesh

Three Dutch CFAs are active in Bangladesh. These are Cebemo (comprising the former Cebemo and Vastenaktie), Novib and ICCO. The Royal Netherlands Embassy also cooperates with a number of NGOs, including the largest (BRAC), as well as several smaller ones, particularly those with an emphasis on women's programmes.

5.1 *Cebemo*

Drawing on its contacts within the international network of Catholic institutions, Cebemo was able to commence cooperation with Bangladeshi partners shortly after Independence. In the earliest phases, short-term aid was given to help local church based or church-related organisations in their relief and mission activities in the war ravaged country.

Cebemo has gradually developed partnerships with some 30 organisations in Bangladesh. Specific objectives and intervention areas of these organisations cover a broad range, including basic education and occupational training, advocacy for human and legal rights, health care, promotion of women's interests, savings and credits, and income-generating activities. The traditional 'church links' remain an important ingredient of Cebemo's assistance and influence its network of partners in Bangladesh. However, it can be observed that Cebemo's cooperation has also developed a substantial secular dimension, in its objectives and approaches as well as in the characteristics of partner organisations.

At the time of the study (or then at the closing down stage) Cebemo had major financial commitments (over Dfl. 1 million) to the following NGO programmes:

- Caritas Bangladesh (Development Extension and Education Services) 1994–7, Dfl. 3.8 million;
- Association for Social Advancement (Poverty Alleviation for Rural Women) 1993–6, Dfl. 1.6 million;
- Dhaka Ahsania Mission (Basic and Continuing Education) 1995–8, Dfl. 1.2 million;
- Cooperative Credit Union (Credit Union Promotion) 1994–7, Dfl. 1 million.

5.2 *Novib*

Novib began developing its network of partners in Bangladesh shortly after the country gained independence from Pakistan in 1971. Of the three Dutch CFAs active in Bangladesh, Novib makes the largest financial allocations. In early years, it assisted

NGOs to develop a local pharmaceutical industry. Currently, around 80 per cent of its disbursements in Bangladesh go to two of the country's largest NGOs, Bangladesh Rural Advancement Committee (BRAC) and Proshika Kendra. Novib is the leading partner in the donor consortium for BRAC and currently chairs a similar platform for Proshika. It currently supports 14 partners in Bangladesh and will add one more by the year 2000.

At the time of the study (or then at the closing down stage) Novib had major financial commitments (over Dfl. 1 million) to the following NGO programmes:

- BRAC (Rural Development Programme—III) 1993–5, Dfl. 24.5 million;
- Proshika Kendra (Five Year Development Programme) 1994–9, Dfl. 16 million;
- Helen Keller International (Vitamin A Consumption Project) 1994–7, Dfl. 1 million.

5.3 *ICCO*

At the beginning of the seventies, much Dutch Protestant missionary and welfare assistance to relief operations was channelled to Bangladesh through the international network of church organisations. ICCO was one member of this network and from 1975 onwards it also started funding development programmes in the country. Initially these focused on agricultural production and health care. Its major partner was and remains the Christian Commission for Development in Bangladesh. At present about half of ICCO's partners are Christian based, and they receive the bulk of its funding (at least 70 per cent). ICCO's policy is to maintain the number of its counterparts at around 20.

At the time of the study (or then at the closing down stage) ICCO had major financial commitments (over Dfl. 1 million) to the following NGO programmes:

- Christian Commission for Development in Bangladesh (People's Participatory Rural Development Programme) 1992–5, Dfl. 5.5 million;
- Rangpur Dinajpur Rural Service (Roadside Tree Plantation Programme) DGIS direct funding, managed by ICCO, 1995–2000, Dfl. 2.9 million;
- Community Health Care Project, 1994–7, Dfl. 1.6 million;
- Gono Shahajjo Sangsta (Construction of Training Centres) 1994–7, Dfl. 1.5 million.

5.4 *The Royal Netherlands Embassy*

In recent years, the Royal Netherlands Embassy has become a substantial funder of NGO activities in Bangladesh. Sectors in which support has been offered include: credit and income generation, research, health, agriculture, education and institutional support for NGOs in the water sector. These are in addition to activities which have already

run for many years, namely the Small Embassy Fund, the Local Women's Fund and project-related contracts to NGOs.

At the time of the study the Embassy had major financial commitments (over Dfl. 1 million) to the following NGO programmes:

- BRAC Non-Formal Primary Education Phase One, Dfl. 12.5 million;
- Grameen Trust Research on Poverty Alleviation, Dfl. 6.0 million;
- Bogra Rural Development Programme (BEES), Dfl. 4.6 million;
- Gono Shahaijo Sangsta Social Mobilisation, Dfl. 4.5 million;
- Shakti Urban Credit Project, Dfl. 4.4 million.

6 Fieldwork findings on Netherlands-assisted programmes of fifteen NGOs

6.1 *Services provided by NGOs, their utilisation and beneficiaries' assessment of them*

Although the programmes undertaken with Netherlands' assistance cover a broad range of activities, two areas can be seen as predominant. These are credit (and savings) and training.

Credit (and savings)

There is no doubt that the service most used and valued by the poor is the provision of credit. NGOs which provide credit have no difficulty in attracting clients. However, according to the beneficiaries participating in the case studies, credit must be regular, in relatively substantial amounts and at predictable times if it is to be useful in raising their economic status. If credit does not fulfil these criteria, there is a considerable danger that it will be used for consumption rather than investment purposes, which in turn increases the likelihood that it cannot and will not be repaid. This finding is supported by several other studies of NGOs in Bangladesh.

Among the NGOs receiving Netherlands' assistance there is great variation in the ability to meet these criteria of effective credit provision. It was found that some of the largest and some of the smallest, most specialised, NGOs are able to provide usable amounts of credit to all their members at regular intervals. Others, including some large organisations, have expanded their programmes beyond the capacity of their loan funds to meet demand. This has negative repercussions. Loans can be given according to various criteria, to cope with the inadequate supply. At best, loans of usable size can be dispersed to members according to a controlled rotation system. At worst, groups receive erratic amounts which

are monopolised by a few people in leadership positions, while the rest get nothing, or so little that they cannot use it effectively. It is also clear from the field studies that where groups have credit distribution as one of the purposes of their operation, this becomes by far the most important in the minds of the members. It is evident that attendance at meetings of groups which do not fulfil their members' credit needs steadily declines, often leading eventually to the collapse of the group. The main way in which members compensate if an NGO does not meet all their credit requirements is simply to join one or more additional credit programmes, run by other NGOs, by Grameen Bank or by one of the various Government institutions in this field.

Some NGOs are opposed to their members having multiple membership of credit schemes, fearing repayment default. It is notable in this respect that those NGOs which have the best supply of credit also tend to have the most effective forms of ensuring repayment, or put more clearly they have the best credit management systems. The issue of 'overlapping membership' among clients generates considerable heat at field and headquarters level among NGOs. It appears on the basis of field evidence that there are incidents of unethical practices through which more aggressive NGOs 'steal' members from others. However, it seems to be more generally the case that those organisations which most closely meet their clients' credit needs and which most tightly specify repayment requirements, gain in the process of overlapping at the expense of NGOs which have less strictly managed credit programmes. There is clear evidence that, in those areas where several alternatives are available, the poor are able to distinguish between providers. Indeed, they sometimes join an organisation thought to have a higher interest rate than their existing one, on the grounds that it can provide sufficient credit to generate more additional income than its higher interest charges. Furthermore, there are signs that competition is beginning to bring some direct benefits to NGO clients. For example, the Association for Social Advancement (ASA) has taken measures to reduce its interest rates and other NGOs are looking at ways to make their credit packages more attractive.

Almost always associated with credit is a requirement to participate in savings, sometimes on an individual basis, sometimes on a group basis, sometimes a mix of the two. A few NGOs allow members to access their own savings once these have reached a certain level. This is valued by members since it reduces the amount they need to borrow with interest charges. However, most NGOs prefer to retain the group savings and utilise them within the Revolving Loan Fund, thereby generating income to offset against their operating costs. In many cases, members can only obtain their savings by leaving the group, which automatically cuts off their right to credit. Thus, although most NGOs devote considerable time in their training programmes to extolling the virtues of savings and thrift, to the majority of members this is simply a price they have to pay in order to obtain credit.

Training

Most NGOs provide training. This is often conceived as being of three broad types: empowerment-related, health and nutrition and skills-based. Training related to empowerment includes literacy, leadership, awareness raising, group procedures and management, accessing government services, legal rights and women's rights. Health and nutrition may include such areas as hygiene, sanitation, diet and kitchen gardening. In some programmes more specific skills, such as those for Traditional Birth Attendants, are also taught. Skill-centred training includes agriculture, pisciculture, sericulture, tailoring, poultry and other livestock raising, tree planting, environmental protection and a variety of specialist topics, including those provided by NGOs operating in urban areas.

It is clear from the case studies that many poor people place an extremely strong emphasis on their desire for skill-centred training in association with credit. This is particularly so for women. They are in many parts of the country new entrants to the field of income-generating activities and are unable to make use of the credit available to them because they lack any marketable skills. Training is therefore essential.

In contrast to the emphasis of the poor, many NGOs focus their attention on empowerment-related training. Some of this is directly useful, notably where clients are empowered to access government services related to income-generating activities (e.g. poultry vaccination). But, according to many clients, much of this type of training has no value. Many women see no possibility of changing the dowry system, early marriage or other socially determined disadvantages. They therefore regard training on such topics as a poor use of time which could be spent learning a practical skill to help combat their personal poverty. Although the approach of conscientization leading to a radical change of rural society has been largely discarded by many NGOs concentrating on credit provision, their training sometimes proceeds as if it is still actively pursued. In this respect, it seems that organisations such as Nijera Kori, which concentrate on empowerment issues in relation to specific local opportunities for change, are in a stronger position to help their members make tangible gains.

Training in the areas of health and nutrition has a variable response from clients. There is little enthusiasm for the benefits of sanitation, but more so for such aspects as vaccination, improved nutrition and water supply. Again, clients emphasise that such training should have a practical emphasis relevant to their own situation. Some NGOs were found to use centrally-designed courses which are totally irrelevant in some of their operating areas and thus waste people's time. This generally lowers the appreciation of training offered and may cause people to avoid other training courses which could actually be useful to them.

It was found that several organisations are weak and ineffective in their training programmes. In addition to the poor quality of training itself, selection of participants is haphazard. Often, a limited number of people have attended several courses, while most have received no such assistance. Some NGOs work on the principle of training one member of a group, who is expected to pass on the knowledge to other members. It was often found that no such dissemination takes place.

A few organisations were seen to offer skills-based training of good quality. BRAC and Proshika are notable examples as well as the much smaller CDA. Interestingly, one of the largest NGOs, ASA has almost completely eliminated training from its programme. Since it is one of the major credit-based NGOs, this appears an inappropriate omission and one criticised by its clients. In the minds of many of the poor, credit and skills must be used together if they are to pull themselves out of poverty. Another NGO which offers no skills-based training at all is Nijera Kori (NK). This organisation is one of those which reacted against the perceived over-emphasis on credit of the 'mainstream' NGOs in the country. Nijera Kori concentrates exclusively on consciousness raising and empowerment of its groups and seems broadly successful in its endeavours. An important element of its success is that, through its highly specialised and concentrated programme, it has empowered its members to such an extent that they have been able to gain economic benefits, through access to government land and water bodies, improved wages or share-cropping arrangements. Despite these achievements, Nijera Kori's members still expressed a desire to receive skills-based training.

Other services

Many other services of NGOs relate to the credit and training components. They include provision of resources for income-generation projects, such as livestock, tree saplings and improved seed varieties, environmental health inputs such as pit latrines and boreholes, often at subsidised prices, and legal aid. Some of these services are provided by NGOs involved in integrated development projects, whilst others are supplied by specialist NGOs, usually operating on a small scale.

A survey of NGOs receiving Netherlands' assistance, but not included in the fieldwork evaluations indicates that most are implementing programmes which are similar to those of the bigger NGOs, but on a much smaller and often localised scale. Some additional areas which are covered by these medium and small NGOs but not usually by the bigger NGOs are: medical care and running of small specialist hospitals, family planning, youth work, urban problems such as drug abuse, working with the handicapped, and localised relief and welfare work.

7 Evaluation of Netherlands-assisted programmes of NGOs

7.1 *Policy relevance*

The NGO programmes receiving Netherlands' assistance are expected to promote progress towards a complex and demanding set of policy goals. These are listed below (bracketed names indicate which stakeholder particularly emphasises each policy goal):

- Structural Poverty Alleviation (Bangladesh and the Netherlands/CFAs);
- Promotion of Women in Development (Bangladesh and the Netherlands/CFAs);
- Strengthen Rights of the Individual (the Netherlands/CFAs);
- Environmentally Sustainable Development (the Netherlands/CFAs);
- Provision of Safety Nets (Bangladesh).

Structural poverty alleviation implies a sustainable improvement in the position of poor individuals and groups. The evaluation of the NGO programmes shows that there are two broad routes being followed to achieve this. At an early stage in the Bangladeshi NGO movement, there was a shared view that groups of the poor could be built up to such a level that they would become socially and economically self-sustaining. This unanimity has been replaced by a more diverse set of views and approaches concerning what might constitute sustainability. Some NGOs continue to pursue the development of self-sustaining village groups, amalgamated up to various levels through federations. Others believe that groups of the poor lack the capacity and power to sustain themselves and that the NGO itself must therefore be the structural guarantor of social and economic progress for the poor. In either case, the activities undertaken by all NGOs studied are targeting structural poverty alleviation and are therefore relevant to this goal.

For a variety of reasons, including their own experience, inputs from CFAs or the Embassy, all of the NGOs studied are *promoting the interests of women* in their programmes. In the fifteen NGOs studied, between 50 per cent and 100 per cent of direct beneficiaries are women. The programmes are therefore relevant to this policy goal.

The NGOs studied also explicitly or implicitly tackle the policy goal of *strengthening the rights of the individual*, through such activities as conscientization, legal rights training, improving awareness of and access to government services, literacy and non-formal education and emphasising the need of the poor to participate in democratic processes.

Most programmes are intended to be *environmentally neutral or positive*. Areas in which benefits are specifically targeted include: sustainable land use, roadside tree planting and maintenance, and lobbying on environmental issues.

'*Safety net*' activities lie outside the priorities of the Netherlands and the CFAs. However, NGOs do undertake substantial activities in this field, in response to the frequent disasters and emergencies which occur in Bangladesh. These activities were outside of the scope of this evaluation, but indicate that policy relevant activities are undertaken in this area with Netherlands' assistance.

7.2 *Effectiveness*

Credit (and savings) programmes are the major activity targeting *poverty alleviation*. Their effectiveness varies substantially among the NGOs studied. Essentially, it is mainly where credit is both regular and in reasonably high amounts that it has a noticeable impact. An Impact Assessment Study undertaken by BRAC estimates that an improvement in household living standards can be attained after a minimum length of membership of 2.5 years, with a cumulative credit of Tk 7,500. Although these precise figures may or may not be accurate in different circumstances and for different clients, the principle is firmly supported by the results of the current study. Small amounts of credit, such as the Tk 1000 occasionally disbursed by some organisations, are not enough to invest in activities which are sufficiently productive to generate additional income for reinvestment, until the next loan becomes available. They therefore make no contribution to sustainable poverty alleviation. It is possible that small amounts, disbursed regularly, may also have some impact, particularly in urban areas where there are opportunities for petty trading, which can bring rapid profits. Large amounts made available at irregular intervals are often utilised by group leaders and not made available to poorer members. Indeed, poor members lack the skills or opportunities to effectively use large amounts and are therefore likely to run into repayment difficulties. The most marginalised members of Bangladeshi society, the 'tribal' groups have so few opportunities that they are found not to access the credit resources available to them. When asked, they indicated a desire for employment opportunities rather than credit.

NGOs have increasingly sought to professionalise their service provision. This is particularly so with regard to credit, in which some NGOs (and their donors) invest enormous sums of money and where accountability should be a prime consideration. Donors have understandably insisted on high-quality advisory facilities being utilised by NGOs managing the bigger funds. This advice has in many cases reinforced the direction in which the NGOs were moving on the basis of their own experience. The clear trend among NGOs focusing on credit is to favour clients with the capacity to borrow regularly and substantial amounts. Such an approach will raise the sustainability of credit operations. However, it is also clear that currently, and increasingly so in future, such operations will avoid the so-called 'hard core poor'

who have insufficient productive investment opportunities to generate high loan repayments.

With regard to credit and poverty alleviation, it therefore seems that two streams have emerged. On the one hand, there are programmes which supply regular streams of credit to the 'moderately poor' on a semi-commercial basis, which achieve high repayment efficiency and which have a favourable impact in moving these beneficiaries out of poverty. On the other hand there are NGOs which supply small, or large but irregular, amounts of credit, which have varying repayment attainments and which are not alleviating poverty to any discernible extent.

The field study also noted that some of the most remote areas, where poverty is likely to be at its most severe, are served only by small local NGOs with insufficient resources to make a substantial impact. The larger NGOs display a tendency to overlap each others' operations in more accessible or 'credit-worthy' areas. Here, clients have already demonstrated the capacity to successfully utilise and repay credit, and understand the basic principles of NGO operations. NGOs therefore prefer to set up new facilities in such localities, rather than risk entering untried areas, which will require a major investment in preparation before any programme can be started.

An area in which credit provision, particularly for women, is shown to be particularly productive for a disadvantaged section of the population is in urban slums. The fieldwork studies show that women in these settlements themselves have access to productive activities and are less restricted than rural women. Furthermore, the opportunities available to them offer a quick return and opportunities for reinvestment, which enable relatively small loans to generate an impact on poverty. Since urban poverty is clearly an increasing problem in the country, these efforts seem a strong area for support.

Other sectors in which poverty alleviation (under a broad definition of poverty) has occurred are in improved nutrition through small-scale vegetable (often using organic production techniques) and livestock production, preventive health measures through access to and use of clean water and (to a far lesser degree) sanitation, improved awareness and use of health services and increased use of various government services and programmes. Basic literacy and numeracy as well as access of children to non-formal primary education may also be seen as making a long-term and less direct contribution to poverty alleviation.

It is clear that even for those clients who have moved out of poverty through successful access to and use of credit, gains are rarely so large as to permit an improvement in their basic asset base. In particular, holdings of land for homestead or farming purposes rarely

change. This is not surprising, in view of the extreme scarcity and high value of land in Bangladesh. A few of the most successful clients, often those who started from a rather better than average position, have improved the physical quality of their homestead. Subsidiary improvements, such as construction of a pit latrine, house improvement, planting of trees and creating a cleaner environment, are more common, often through access to other programmes of the credit-providing NGO.

Overall, it can be seen that training has had a mixed impact on poverty among its clients. Skills-based training associated with credit is seen by most of the poor as the combination necessary to offer the potential for economic improvement. Even here, it is vital that the training is tailored to opportunities that exist locally. Training in the broad fields of empowerment and health and nutrition can play a positive role, but are less valued by the clients than skills training. In a number of organisations the poor quality of the training programme and ineffective strategies, which leave the majority of members untrained, mean that little is currently contributed towards poverty alleviation through training activities.

An area into which few NGOs have ventured, but which is commonly cited as the real need of many of the poor, is the creation of non-farm employment opportunities. Tribal communities in particular cited this as of far more potential value than credit. Many members of these communities must currently sell their labour for low rates as migrants in order to survive. Many members of mainstream Bengali society also have few income-generating opportunities and this is particularly so for women. The apparent success of the various infrastructure-related activities undertaken by Landless Contracting Societies and similar organisations, in the water and roads sectors, indicate the high demand for work, even in the most unfavourable circumstances and with low rates of pay.

With regard to *gender impacts*, women are the major direct recipients of credit. In some cases, such as ASA and the urban NGOs Shakti and Sheba, women are virtually the only direct beneficiaries of this facility. Whereas in the urban areas, women themselves are able to fully utilise the credit available, in the rural areas this is less often so. This is because in most locations there is little tradition of women pursuing employment or business opportunities outside those which can be conducted on a very small scale within the homestead. To some extent, this can be overcome by skills training, since there are many activities such as small livestock rearing and kitchen gardening where women can operate successfully within the social norms. Poor women such as divorcees and widows do increasingly operate outside of the homestead, notably on labour-intensive projects such as road and embankment works. However, as noted above, members of this category fall largely outside of the main credit programmes because they are not able to borrow sufficiently large amounts.

It appears that in some rural areas, little of the credit is actually used by women, but that in others as much as half of it may be used directly by the formal recipients. However, even where women have little direct role in the use of the credit, they find a substantial advantage in participating in the programme. In the first place, their respect in the household is greatly enhanced by being the route to credit. This finding was repeated in all areas and for all NGOs which disburse reasonable amounts of credit on a regular basis. As well as this improvement in their situation, many women reported improved self-confidence and willingness to appear in public as a result of their participation in group meetings, other activities and training.

The impact of training on women is mixed. In the fieldwork undertaken, women did not generally express enthusiasm for the training they receive on empowerment or legal rights, although there were examples where this has been useful. NGOs and CFAs have, however, indicated that according to their research there are many such programmes which are valued by the women participating in them. The viewpoint prevailing among women participating in the fieldwork is that such social phenomena as dowry, arbitrary divorce and violence against women are beyond the capacity of village groups or even federations to tackle. Rather, they may be overcome in the long term through the indirect means of raising the economic and social status of women within the household. Thus, becoming the household's route to credit is seen as equally or more empowering than only messages about empowerment.

One weak point encountered in many of the NGOs receiving Netherlands assistance is in their internal gender-related policies and practices. Few have succeeded in recruiting substantial numbers of female staff and even fewer have a reasonable proportion of female managers. Many NGOs have undertaken studies of this issue, usually in response to donor requests, and the results have proved discouraging. Even basic measures to make office employment attractive to females, such as toilet provision, child care facilities and appropriate scheduling of meetings have rarely been taken. At field level, where women face the possibility of serious harassment, few NGOs have developed and implemented policies and practices to protect their female staff. Indeed, one internal NGO report found that its female staff were just as likely to be harassed by their colleagues as by outsiders. From the field evidence, it appears that smaller NGOs with a local base are more readily able to recruit and retain local female staff than are the larger organisations. However, it appears that many NGOs are now taking this issue seriously and a number (including Proshika and RDRS among those studied) have formulated and begun to implement gender policies.

With this background, it is perhaps surprising that the large NGOs have been as successful as they have in working with female groups in rural areas. It appears probable

that the messages concerning empowerment and rights for women could be yet further strengthened if the NGOs were to make more serious efforts to effectively organise gender aspects of their own operations. In this respect, it is to be hoped that the NGO gender policy documents which are now appearing will have a tangible impact in the near future.

Social empowerment achieved by the programmes is not as dramatic as originally hoped for and envisaged by many of the NGOs during their early phases of operation. Even though NGOs, when their programmes are aggregated, provide a wide range of services and activities covering much of the country and with millions of participants, they have not led to any major change in the social order. Fundamental factors of the rural social order, notably the unequal distribution of land and the prevalence of landlessness have not changed. Whilst many NGO members have been trained to analyse their local social order and understand the underlying causes of their poverty, this has not enabled them to act as a mass force. Even where many years of effort have been expended on building up federations of local groups, little evidence emerged of their capacity to initiate major social movements against the power structure. Rather, NGO clients generally express a preference to have less training concerning these immovable forces, in the face of which they feel helpless, but rather to have a combination of credit and locally adapted skills training to help their personal situation.

Empowerment has occurred on a relatively limited scale in connection with gaining access to government resources such as khas (Government-owned) land and water bodies, for which the poor are in principle intended to be the prime category of beneficiaries. There is evidence that some small NGOs, which are set up by well-motivated members of the local elite, have better linkages, and therefore better access to these government resources than the larger NGOs, which are usually outsiders to a particular locality. It is also clear that an NGO such as Nijera Kori, which specialises in promoting empowerment, has a better chance of success in this area than large multi-purpose NGOs, for whose fieldworkers empowerment is seen as a sideline to the more pressing business of meeting credit disbursement and recovery targets.

It therefore seems that empowerment training is most likely to be effective when targeted at a specific local goal and that in the absence of this, it becomes ineffective information and exhortation which is regarded as of little value by the members of village groups. It emerged from the field research that clients of a credit focused NGO such as ASA, claim to receive as much empowerment-related information as they need or want through occasional informal discussions after the credit accounts have been completed. Members of groups organised by NGOs which spend far more time on empowerment issues do not necessarily retain a higher level of information or enthusiasm concerning the subject.

However, where empowerment messages are related to activities which bring tangible benefits to members, they are favourably received and acted upon.

Legal awareness training does show some benefits, again if it is focused on providing information which can be used in practical circumstances. Instances of the misuse of police power seem to be common in rural Bangladesh and a knowledge of the limits of these powers has been demonstrated to be useful in a number of cases. Similarly, the extent of the authority of local self-appointed courts has also proved a topic of considerable importance to some villagers, particularly where religious restrictions on the behaviour of women are the subject of judgement. As with the areas raised above, it is where NGOs have moved from general messages concerning the social structure to specific areas of disadvantage about which something can be done, that they have provided real benefits to their members.

At a broader level, it seems that participation in group meetings and activities, regardless of their content, promotes a heightened degree of self-confidence over time. Women in particular gain a degree of acceptance of their right to move about and even to visit offices of NGOs or Government to access services. They are able to act upon this acceptance because of the enhanced personal confidence gained through regular interactions with other group members. The NGOs have therefore to a substantial extent and depending on local circumstances, reduced the degree of isolation imposed on women. This is in itself a notable achievement. The greatly increased participation of women in the recent national elections has been cited by NGOs as partly a side-effect of this gradual entry of women into public life. Moreover, NGOs have organised voters' education campaigns.

Two major aspects of the operations of NGOs, which limit the degree of empowerment they have been able to generate for their clients, are the lack of local cooperation among NGOs and the absence of meaningful contact between NGOs and local government in many areas of the country. If NGOs were to systematically cooperate, they could work with their total client base in any area to pinpoint major development constraints and opportunities and then plan the most effective means of jointly acting to gain benefits. In many cases, in order to act successfully, they would need the cooperation of local government. However, it seems that in many areas contact between Government and NGOs is extremely limited. Government officers complain that they have little information on NGO programmes, that they are aware of excessive overlapping but can do nothing about it, that NGO schools often compete with, rather than supplement, government schools, and that NGOs only come to them when they have a problem which they cannot solve on their own. In other areas, however, NGO activities are to some extent formally coordinated through monthly meetings at the District level. It is also notable that some Chapters of the umbrella organisation, the Association of Development Agencies

in Bangladesh (ADAB), play a liaison role between member organisations, as do other NGO networks.

With regard to *environmentally sustainable development*, most of the programmes of NGOs are positive or neutral. Rural credit and training are mainly used for small-scale economic activities such as trading or farming. NGOs such as Proshika and CDA have programmes of sustainable land use. Other NGOs, notably RDRS, have substantial programmes of roadside tree planting and maintenance. Several NGOs are active lobbyists for development and adoption of sustainable land use policies in Bangladesh. Many NGOs are active lobbyists against specific large-scale water resource management projects, notably some of those under the Flood Action Plan, which they see as socially and environmentally damaging.

In the area of '*safety net provision*', because of their effective organisation at field level in most of the country, NGOs play a major part in emergency relief and rehabilitation, drawing on resources from the GOB and the international community. In this sense, they intentionally fulfil this policy goal. Several of the NGOs studied are also inadvertently operating long-term '*safety net*' programmes. This may be because of one or more of the following reasons: they have insufficient financial, management, or human resources to operate structural poverty alleviation programmes; they operate in geographical areas in which natural resources are too poor to allow sustainable progress; or their programmes are less successful than anticipated. As well as making an important '*safety net*' contribution, the possibility remains that such programmes may in future be strengthened and scaled-up, thereby moving towards structural poverty alleviation.

7.3 Efficiency of the NGO programmes

On the basis of the case study and other evidence, it appears that there are some systematic factors affecting the efficiency with which programmes are implemented. NGOs can be seen as operating along three dimensions. They may tend towards a *holistic approach*, emphasising a broad definition of poverty including elements of the social structure, or they may decide to *specialise* in tackling a particular dimension of poverty such as the need for credit, training or empowerment. The second dimension is that of *scale*. Whilst some NGOs see '*scaling up*' as an essential part of their mission in assisting to tackle poverty, others feel more comfortable operating on a local scale in an area well-known to them and in which they have a network of contacts. The third and apparently critical dimension for efficiency is the extent to which the NGO attempts to *hand over management* of its programme to the groups formed, usually through some system of federation of member organisations to a higher level. Where this hand over includes

financial control and management, it has yet more influence on the efficiency of the operation.

On the basis of the field studies, the following observations can be made:

- specialised programmes (concentrating on a small range of activities) are easier to run efficiently than are holistic programmes (which try to tackle a broad range of dimensions of poverty);
- nevertheless, even very large holistic programmes can be run efficiently, as demonstrated, for example, by the Rural Development Programme of BRAC;
- programmes of small NGOs often suffer from insufficient funding and/or from lack of access to best management practice through training;
- programmes in which partial management responsibility (excluding financial management) is given to member groups are being run efficiently by several NGOs studied;
- programmes in which full hand over, including financial management, to member groups is practised have so far not been able to achieve efficiency in the NGOs studied.

With regard to the issue of handing over financial management to members, it is notable that for all organisations offering credit as one of a range of services, their clients indicated that credit is their main reason for participating in group activities. It can therefore be anticipated that, since the NGO credit ‘market’ is becoming increasingly competitive, and since there are major credit based organisations which are constantly expanding their programmes, any organisation which ‘phases out’ its members to the extent of making them ineligible for further credit will over time simply lose them.

Furthermore, it is clear that the majority of members of savings and credit schemes have more faith in the financial management skills and probity of NGOs, than they have in those of their own group leaders. Whilst claims of financial dishonesty were hardly ever voiced against NGO staff, they were frequently raised about leaders of groups handling money without external supervision by the NGO. It was not the concern of the evaluation to attempt to verify such claims. But the fact that they are made is sufficient evidence that those receiving credit are more confident when dealing with an accredited organisation with formal management procedures, than with the relatively well off and educated group members who normally occupy management roles in phased-out groups. This therefore raises serious questions about the efficiency of the effort which is put into building federations

The clear preference of members for financial management by NGO staff exists despite its high cost to them. A study of credit systems at field level undertaken as part of the evaluation shows that the real cost of credit is about 45 per cent to 50 per cent higher with direct NGO management than under self-management by groups.

7.4 Sustainability

The issue of *sustainability* has several dimensions. At one level, the sustainability of the NGOs can be considered a key issue. This clearly relates to whether or not donors will continue to support them, since most are highly dependent on international funding. At the next level, the principle underlying the practice of 'phasing-out' NGO support to member groups is that the village organisations and their higher-level federations (where formed) will themselves become able to survive without their 'parent' NGO.

With regard to the former issue, some of the traditional donors have begun to show signs of wishing to reduce the funding they make available to Bangladesh. This is seen by the NGOs in the context of 'donor fatigue' coupled with the increasing diversion of funds from the Third World to the emerging countries of the former Soviet bloc. So far, the development of donor consortia and the arrival of new donors have largely compensated for any lost income. Furthermore, for those NGOs seen as having a 'harder' image and able to demonstrate firm financial management, yet larger sources of funding are opening up through bilateral, multilateral and commercial sources.

It can be seen that some NGOs, particularly ASA and BRAC are well on the way to achieving financial self-sufficiency for their credit operations. Paradoxically, this also makes them the most attractive to new donors. Whilst it appears that credit on its own can become self-sustaining, it is also clear that substantial skills training programmes cannot be funded out of service charges. And yet, in the minds of many poor villagers, it is the combination of resources and skills which presents the possibility of self-improvement and not simply access to money. Other programmes, most notably in the area of non-formal primary education, continue to require huge donor inputs and will never be in any other position.

The major concentration of many NGOs and their donor partners, on the need to raise social consciousness and change the structure and values of society, also seems highly unlikely to be sustainable without substantial and long-term external support. Whilst many NGO clients value these inputs to some extent, there is no evidence that they would be prepared to pay for them. In fact, the findings of this evaluation and many other studies indicate that members' interest in group activities (except in a few specialised NGOs) is mainly retained by the prospect of obtaining credit. Since multilateral and commercial sources are not likely to find social empowerment a financially sound investment, it is clear that this burden will continue to fall on bilateral and CFA donors. The sustainability of these components of NGO programmes is therefore almost entirely dependent on continuing interest among this group of donors.

8 Evaluation of assistance channels to NGOs

8.1 Co-financing agencies

CFAs from many countries have channelled large sums of money to the Bangladeshi NGO sector since the country gained Independence. This has enabled the sector to grow more quickly and on a much larger scale than in most other developing countries. The relationships between Dutch CFAs and Bangladeshi NGOs are perceived on both sides to be partnerships, often based on 'like-mindedness' related to religious and/or historical ties. For the partners, these relationships go far beyond the provision of financial resources, although the long-term support of 'core programmes' has been a major benefit to them. Dialogues on broad principles such as development strategies, joint lobby ventures, empowerment of the poor and human rights are thought to benefit both sides of the partnership.

As well as this somewhat intangible 'added value' of CFAs, there are tangible gains to NGOs through the CFAs' political lobbying in the Netherlands, mobilising public opinion to support assistance to Bangladesh, fostering institutions necessary to reinforce 'civil society', enlarging cooperative networks and extending the range of international donors accessible to the NGOs.

CFAs have assisted in the development of donor consortia, which have helped several larger NGOs to scale-up their operations in an efficient manner, through the reduction of duplication of administrative and financial reporting.

For smaller NGOs, the relationship with CFAs is not always so positive. Some have been referred by a CFA to a bigger NGO which is already its partner, for help to produce an acceptable proposal. However, the large NGO may force the applicant to change its proposal or work in a different area, in order to protect its own interests. Instead of having a simpler procedure, smaller NGOs find that they must deal with two organisations in order to obtain their relatively small amounts of assistance. Small NGOs feel that they have less access to the support and services of the CFAs than do big NGOs, even though they need these more. In addition, they are rarely offered the same long time frame of assistance that larger bodies receive.

The three CFAs have distinct constituencies in the Netherlands, as well as complementary networks of European and world-wide CFA and NGO contacts, and each has strong historical links with a number of key partners in Bangladesh.

Through their networks, CFAs provide Bangladeshi NGOs with linkages to NGOs operating elsewhere in the Asian region, or even further afield, so that experiences and effective approaches can be shared.

CFAs also play a valuable role in interpreting the achievements of NGOs in a positive manner which can be appreciated by the public in the Netherlands, who might otherwise have unrealistic expectations of what can be attained.

CFAs make important contributions through facilitating the training of NGO senior staff, including at such institutions as ISS, by providing consultancy services to NGOs, by assisting NGOs to mount or to attend relevant international workshops, by facilitating the (now largely historical) indigenisation process of NGOs, by helping partners to develop such resources as Vision, Mission and Strategy statements and by organising partners' meetings in Bangladesh.

Compared to the efforts of the Bangladeshi Government to directly target the poor, the activities of the NGOs are generally regarded as more effective. The support and influence over many years from the Dutch CFAs has played an important role in developing these effective approaches, particularly for some of the larger NGOs which have been the main beneficiaries.

The urge to economise on administrative and overhead costs appears to be influencing the CFAs to channel aid increasingly to large programmes and organisations. This will not necessarily promote the most effective use of resources, since the evaluation shows that small NGOs can be effective and innovative, and sometimes reach remote areas, char lands (newly-settled areas of land accreted by deposition of silt) and other locations which are not always serviced by larger NGOs.

Procedures to make the NGOs financially accountable have been vigorously pursued by the CFAs. Progress reports, internal assessments, monitoring and evaluation studies are also produced and critically assessed. However, there are very few high-quality studies of the impacts of NGO operations, or authoritative evaluations of specific programmes. In view of the very large scale of many NGO programmes, it is probably difficult to conduct authoritative studies within the evaluation budget available to the CFAs.

A particular sector supported by all CFAs, and in urgent need of coordination, is the growing area of credit provision. Pressing issues are the development of measures to control unethical means of competition between providers, and the requirement for standard and accurate means of presenting the real cost of credit to consumers.

CFAs have enabled a number of NGOs to lobby against programmes of bilateral donors, including those of DGIS, notably in recent years against some activities of the Flood Action Plan. This provides a valuable check against the possibility that such programmes may disadvantage some of the poorer sectors of society and contributes towards the strengthening of civil society both in Bangladesh and the Netherlands.

Overall, the CFAs have made a major positive contribution to the development of NGOs in Bangladesh. Several of these NGOs are known as world-wide leaders in this sector and their concepts and practices have been adopted by others within the country and internationally. However, the CFAs have so far missed the opportunity to maximise their contribution, by acting largely independently of one another. In recent years, some progress has been made in this respect. The country study by the Consultative Bureau of the CFAs and discussions between CFAs operating in Bangladesh, the Flood Action Plan lobby under which some NGOs receive support jointly from different CFAs, informal contacts between CFA Desk Officers, and participation of CFAs in European networks have all served to strengthen the sharing of experiences and expertise. Nevertheless, the degree of cooperation between the CFAs on specific issues of common interest, such as credit management, overlapping membership of NGOs and the future of federated systems, could be further strengthened to the benefit of all parties.

8.2 *The Royal Netherlands Embassy*

In recognition of the quality and effectiveness of their programmes, some Bangladeshi NGOs are now receiving funds direct from the Ministry through the Embassy. The major example is the BRAC Non-Formal Primary Education Programme, which is funded directly through the Embassy (with an expected assistance in excess of Dfl. 30 million for its first two phases). There are also large-scale programmes in the health sector.

Another modality of direct funding is the involvement of some NGOs in the implementation of specific components of bilateral projects. The water sector is the major one in which this has occurred with Netherlands-Assisted Projects in Bangladesh. This type of cooperation is not always successful, largely because NGOs often have to accept project designs in which they have had no planning role. In certain instances, there may also be a perceived conflict of interest between the poor target group and the manner in which a project is being implemented.

The Embassy also has an Embassy Small Fund and a Local Women's Fund at its disposal. These are used flexibly, notably to support women's projects and activities in the water sector.

The posting of additional sector specialists has intensified the communication between the Embassy and the NGOs, and the Embassy is increasingly taking the initiative to involve NGOs in the implementation of bilateral programmes.

To date, NGOs have a mixed reaction to this increasing involvement. Some note that, although Embassy staff are locally based, they often appear to have such substantial

workloads that they are unable to visit the field for any meaningful period of time. Furthermore, they observe that Embassy specialists have a rapid turnover (mostly within 3 to 5 years) and that relatively little experience and knowledge is passed from one incumbent to the next.

The NGOs therefore often encounter a discontinuous and sometimes contradictory relationship with Embassy specialists, which they compare unfavourably with the long term, mutually supportive and cumulative relationship established with their CFA partners.

However, some smaller NGOs indicated that they have been offered more assistance in such areas as training and accountancy from the Embassy than is available to them from CFAs.

1 Objectives, scope and methods of the study

1.1 Introduction

During the period 1991–94, the Operations Review Unit (formerly IOV, now restructured and renamed as IOB) of the Ministry of Foreign Affairs undertook evaluation studies of the Netherlands' aid programme in Mali, India and Tanzania. Following these studies, a further series was approved, to assess the programme in Bangladesh, Bolivia and Egypt. The underlying reasons for the emphasis on comprehensive country programme evaluations are:

- a major part of Netherlands' development assistance is channelled through country programmes;
- in country programmes various aid instruments (i.e. budget categories) are used in combination to realise Netherlands' policy aims and priorities;
- the effectiveness of aid can be analysed and understood within the wider policy environment of the recipient country;
- such studies provide an overall picture of Netherlands' development assistance to a particular country, and the possibility to assess its composition and internal consistency.

The Bangladesh country evaluation study covers the Netherlands' development programme as reported to the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). The activities covered include all bilateral project and non-project aid (e.g. commodity input support, balance of payments support and debt relief) as well as the assistance provided through co-financing arrangements with such organisations as the World Bank, European Union, United Nations and other bilateral donors, or routed through Netherlands CFAs supporting Bangladeshi NGOs, and through local NGOs directly.

The evaluation covers the period from the Independence of Bangladesh in 1971 until the present time, during which more than Dfl. 2.65 billion of Netherlands' assistance has been disbursed. However, the major focus of the study is on the period 1985–95. This time span has been chosen to trace possible variations in the aid programme over time, to establish

the possible relationship between these variations and changes in the socio-economic situation and development policies in Bangladesh, and to assess the longer-term impact of Netherlands-financed development activities.

1.2 Evaluation of NGO activities

As part of the overall country study, an evaluation of Netherlands-funded NGOs was undertaken by a team of consultants from the Netherlands and Bangladesh. Poverty alleviation activities are mainly implemented by Bangladeshi NGOs with financial support from CFAs (in the case of Bangladesh, Novib, ICCO and Cebemo/Bilance). Poverty alleviation through NGOs is an important component of the overall development cooperation programme with Bangladesh. Over the cooperation period studied, some Dfl. 247 million was spent on assistance in this sector. NGOs receiving assistance implemented programmes mainly targeting the following issues:

- poverty alleviation;
- conscientization and mobilisation of local groups;
- development of local and regional organisations of the poor to defend their rights and interests.

In recent years, the Royal Netherlands Embassy (RNE) has become a major funding channel for the NGOs; its support concentrates largely in the fields of education and health.

1.3 Objective and key questions of the evaluation

The main objective of the study of NGO activities is to provide an evaluation at two levels:

- an evaluation of the activities supported by the Netherlands in terms of effectiveness (including impact), efficiency and sustainability of implementation;
- an evaluation of the policy relevance (in view of the policy priorities of both Bangladesh and the Netherlands) of the overall programme.

The key questions that the study addresses are the following:

- What is the significance (qualitative and quantitative) of the Netherlands' support to Bangladesh?
- Was the delivery of that support effective and efficient (effectiveness is viewed as the relationship between results achieved and the objectives of the intervention, while efficiency refers to the relationship between results and costs)?

- What has been the significance of the institutional routing of the aid through CFAs and NGOs?
- Are the achievements sustainable, or can they be expected to be sustainable?
- What has been the relation between the support given, the overall policy priorities of the Netherlands' development cooperation programme and the development priorities of Bangladesh?

1.4 Outline of the design and implementation of the study

A detailed account of the design and implementation of the study is provided in Annex 2. Main components of the process are briefly outlined below:

- establishing preliminary contacts with Netherlands CFAs;
- collection and analysis of documentary data from CFAs and DGIS in the Netherlands;
- collection and analysis of relevant documentation concerning poverty and related government programmes in Bangladesh;
- design and dissemination, collection and preliminary analysis of questionnaire sent to all Bangladeshi NGOs receiving assistance from Netherlands CFAs and/or the RNE;
- selection of 15 NGOs for detailed field study;
- preparation and holding of executive interviews with selected NGOs;
- preparation and holding of interviews with RNE staff;
- selection of fieldwork areas for study of each NGO;
- recruitment of fieldwork team to work under supervision of Bangladeshi lead consultant, with monitoring by Netherlands consultancy team;
- preparation of fieldwork research strategy to obtain data necessary for analysis of issues encompassed in the Terms of Reference;
- preparation of documentation, based on the research strategy, as fieldwork guidelines for all staff involved;
- training of fieldwork team;
- conducting of preliminary fieldwork with Government and NGO officers at District and thana level;
- conducting of preliminary fieldwork with NGO staff responsible for study area;
- selection of NGO groups for intensive field study;
- conducting fieldwork with selected NGO groups;
- conducting fieldwork with other relevant parties, including local leaders and influential figures, 'drop outs' from NGO groups and non-members;
- preliminary analysis of fieldwork results;
- participatory workshop to discuss preliminary findings with NGO officials;
- detailed analysis of fieldwork and NGO responses to preliminary findings;
- discussions with officers of Netherlands CFAs;

- merging and analysis of all data sources;
- presentation of preliminary report to Netherlands Reference Group;
- presentation of draft case studies and evaluation chapters to participating CFAs, NGOs and the RNE Dhaka, and receipt of verbal and written comments;
- report revision and presentation.

1.5 Scope and limitations of the study

There proved to be some areas in which the subject matter of the study overlapped with other sectors and for which decisions had to be made concerning their inclusion or exclusion.

Although the Terms of Reference concentrate particularly on the activities of NGOs supported by CFAs, it was learned that DGIS, increasingly through the means of the Royal Netherlands Embassy, is directly supporting a number of NGO activities in poverty alleviation and other sectors. In order to pay attention to this trend, some NGOs receiving support from the RNE were added to the fieldwork study.

It also emerged that a major area of concentration for some NGOs is the provision of Non-Formal Primary Education. This is supported both through the CFA and the RNE route. Since education is another distinct sector receiving Netherlands support, it was not included as a major focus of the study, but was incidentally addressed in some of the fieldwork case studies.

Similarly, a number of NGOs proved to be active in the water sector in rural areas. Programmes undertaken include: the organisation and capacity building of groups of poor people to undertake manual labour; irrigation-related activities, including the provision of tubewells and/or pumps to the poor, usually through the provision of credit. These programmes account for a small proportion of the budget of most of the NGOs involved and fall conceptually under the water sector, for which a separate study has been undertaken. They were not therefore included in the present study.

Preliminary contacts in Bangladesh indicated that urban poverty is a problem upon which NGOs are increasingly focusing, with support from both CFAs and the RNE. Two urban based NGOs were therefore added to the fieldwork study, to gain an impression of the type of activities being supported and their achievements.

In terms of methodological limitations, the main constraint anticipated was the relatively limited amount of fieldwork which could be undertaken in comparison with the enor-

mous scale of NGO operations in Bangladesh. These directly reach more than 4 million members, representing total beneficiaries in excess of 25 million people (based on household size in rural areas). In this respect, it is important to emphasise that the role of the case studies undertaken of fifteen NGOs is to provide insights into the achievements of NGOs in poverty alleviation in Bangladesh *as a whole* and into the overall contribution of Netherlands' assistance to these achievements. Most NGOs, and particularly the larger ones, have several donors and a range of activities. Fieldwork in any individual organisation concentrated only on a programme receiving Netherlands' assistance and did not attempt to assess the NGO's overall range of activities. Assuming that the Netherlands' share of the total international funding received by NGOs for poverty alleviation programmes is translated into benefits for group members on a pro rata basis, it can be estimated that there are not less than 400,000 direct beneficiaries from the Netherlands' assistance, representing some 2.5 million household members.

In order to provide a sufficient basis of evidence upon which to assess the contribution of NGOs to poverty alleviation, the fifteen fieldwork-based assessments were placed in the context of and supported by, the files of the three CFAs and the RNE, a considerable body of detailed studies of the programmes of individual NGOs, executive interviews with key stakeholders and reference to numerous studies of the Bangladeshi NGO sector already undertaken for academic purposes or commissioned by other donors. It is considered that the combination of original fieldwork and secondary sources provides sufficient information for the specific purposes of the evaluation.

As a check on the reliability of data and interpretations, draft versions of relevant components of the report, including the detailed case studies, were discussed with the NGOs participating and with the CFAs, and modified appropriately before the final report was prepared.

2 Poverty, rural and urban development in Bangladesh

In this chapter a brief outline of the main characteristics of poverty is given in order to indicate the main issues which the NGOs have been attempting to tackle since around the time of the country's Independence in 1971.

2.1 Geography and history

Bangladesh consists largely of a deltaic plain formed by the outlet of the Ganges-Brahmaputra river system. The flat landscape and concentrated rainfall ensures that flooding is a regular occurrence. Cyclones accompanied by tidal surges in the Bay of Bengal sometimes hinder the discharge of river water into the sea, causing severe flooding. The flooding has increased in frequency, duration and severity, with the 1988 floods affecting 45 million people. Cyclonic damage affecting the coastal regions has had an increasing impact as population pressure has forced more and more people to settle in areas known to be unsafe. The 1991 cyclones killed some 130,000 people.

The area now known as Bangladesh had Mughal rulers for more than five centuries until 1757, when the British took over ruling until 1947. The area then known as East Bengal became part of Pakistan until 1971, when a relatively short but bitter struggle led to the foundation of an independent Bangladesh. The years preceding Independence were characterised by a stagnation of food crop production and increasing reliance on imported food, particularly rice. At the same time, no industrial base was developed to provide additional employment and income-generation opportunities. Infrastructural and industrial developments were concentrated around Calcutta as the metropolis for Bengal, supplying industrial products to the then East Bengal at inflated prices.

These trends meant that, at the beginning of Independence, Bangladesh had only 8 per cent of its population in urban areas, with manufacturing accounting for only 10 per cent of GDP. By 1991, 20 per cent of the population was urban, still low for a country with substantial pressure on land resources and a high proportion of landless people in

rural areas. Between 1970 and 1992, World Bank figures indicate that the contribution of agriculture to GDP declined from 55 per cent to 34 per cent, while that of industry grew from 9 to 17 per cent and services from 37 to 49 per cent.

Agricultural productivity in Bangladesh remains low. Yields, even for High-Yield Variety (HYV) crops are much lower than those in other countries in the region and the areas given over to HYVs are relatively small (at 40 per cent). Exports are limited, relying on jute and related products, ready-made garments, shrimps, leather and tea. Imports are substantially larger than exports.

Foreign aid is a major factor in the economy. Between 1985 and 1991, US\$ 11,297 million was received in official development assistance. During the 1980s, such assistance accounted for more than 80 per cent of development expenditure. Largest donors are the World Bank and such bilaterals as Japan, the United States and Canada. In 1994, Netherlands assistance was budgeted at US\$ 65 million.

2.2 Poverty indicators in Bangladesh

The population of Bangladesh is almost entirely Bengali (1 per cent 'tribal' peoples), forming a relatively homogeneous ethnic and linguistic group. Over 85 per cent of the population is Muslim, with some 12 per cent Hindus. Buddhists account for 0.6 per cent and Christians 0.3 per cent of the population.

Poverty in Bangladesh has many indicators. These include:

Nutrition. The poor cannot make an effective demand for food in the open market, since their incomes are very low. In 1989, (World Bank 1994) 49 per cent of the population was below the estimated 'upper poverty line' recommended calorie intake of 2,122 calories per day, while 29 per cent was below the 'lower poverty line' of 1805 calories per day. A recent study by the Bangladesh Institute of Development Studies (BIDS 1995) indicates some improvement in the poverty situation between 1989 and 1994. The proportion of poor people declined from 57 per cent to 48 per cent and that of the extreme poor from 29 per cent to 23 per cent. These proportions should not give rise to undue optimism. They still imply that out of the population of some 120 million, 55 million were poor, of whom 26 million were extremely poor.

Education. In 1990, only 35 per cent of the adult (15 years and above) population had even basic literacy. Primary school enrolment is some 77 per cent, but drop out rates are very high. Overall, urban participation in the educational system is far higher than rural.

Health. Infant mortality in 1992 was 91 per 1,000 with a life expectancy at birth of 55 years.

With regard to health and education, recent Ministry of Finance figures show a strong correlation between landownership and a set of other factors, including access to safe water and sanitary latrines, primary school enrolment and adult literacy. In all cases, the functionally landless have a far lower degree of access to services than do those owning some agricultural land. The educational disadvantages greatly reduce the capacity of the poor in their dealings with the rural elite.

2.3 Gender and poverty

About 46 per cent of the population of the country are females. They suffer substantial disadvantages in Bangladeshi society, although changes have occurred over the last 25 years (T. Siddiqui, 1995). In 1974, life expectancy at birth was 49.7 years for women and 51.6 for men. By 1992, the overall situation had improved and the gender gap had closed somewhat, with a male life expectancy of 56.8 years as against 55.9 years for females.

The educational difference between the sexes remains substantial. In 1991, only 18.6 per cent of adult females as against 44.3 per cent of males were literate. With regard to primary school enrolment, 77.7 per cent of boys and 61.4 per cent of girls participated, whilst at secondary level the figures declined to 32 per cent of boys and 15 per cent of girls. At higher levels, differences were even more marked.

Women's participation in the labour force has progressed in recent years. Whereas in 1985 only 3.1 million women were known to be active in the formal labour force, by 1989, this number had risen to 21 million, about 41 per cent of the formal sector labour force. The wage rate of women was 58 per cent of that of men. In rural areas, 83 per cent of women in 1989 were unpaid family workers or self-employed. Overall, at this time 43 per cent of the female labour force earned less than Tk 100 per week, compared with only 8 per cent of men in this category.

As indicated in Section 2.2, some 48 per cent of the nation's population live below the poverty line. Within this group, the most disadvantaged category is that of female headed households, which constitute about 15 per cent of the total. These have on average only 55 per cent of the national household income. As many as 96 per cent of female headed households live below the poverty line, of whom 33 per cent are among the hard core poor, subject to chronic food shortages.



Rural women, traditionally bound to the homestead, gain confidence through participation in group meetings (Photo by Sean Sprague/Lineair)

With regard to nutrition, adult females are disadvantaged compared to males, with an average per capita caloric intake of 1599 Kcal, compared the 1927 Kcal for men. Studies of health care also show that male members have a higher expenditure per incidence of sickness than women and that women have a higher rate of mortality in every age category than men.

Women, particularly in rural areas, are restricted by the institution of *purdah* to activities within the homestead. As well as general domestic tasks, these include such economic activities as kitchen gardening, livestock and poultry raising, processing and storage of grains and pulses. They also manufacture a variety of items used in the homestead and in artisanal communities undertake tasks in support of the external economic activities of men. With regard to agriculture, males work in the fields, while women are involved in post harvesting activities. It has been estimated that between 25 per cent and 40 per cent of the total value of agricultural production results from the contribution of women. The contribution to the household economy (between 28 per cent and 46 per cent according to one World Bank study) made by homestead fruit and vegetable production is also very substantial. However, as women do not have any access to the market because of the rules of *purdah*, men control the household cash income and most of women's work is unpaid and lowly valued.

In addition to the burdens of rural and urban poverty noted above, women and girls also suffer from other gender-specific disadvantages (many of which are relevant to the programmes of NGOs) included those listed below:

- A girl's value as a wife is closely related to the dowry which her parents can give her to take to the husband's family. The need to provide a dowry places poor families under major additional stress. After marriage, a wife should serve her husband's family and not her own, including caring for them in their old age. Thus daughters are a burden to the poor for which no long-term return is obtained.
- Divorce under Islamic law is simple, usually initiated by men and used as a weapon to control women. Children, particularly boys, usually remain with the husband. If a divorcee's parents cannot support her or provide a new dowry for remarriage, she is likely to be in serious straits. Violence against women is common and is also a means of humiliating the wife's male relatives, often with the intention of extracting delayed dowry payments.

2.4 The structure of rural poverty

A fundamental aspect of rural poverty is unemployment and under-employment. In almost all rural areas the supply of labour is much higher than available agricultural work. Opportunities outside this sector are extremely limited and increasing at a much slower pace than demand. The oversupply of labour results from two factors: a high concentration of landownership and rapid population growth.

According to Novib figures (1992 p. 15) in 1991 the top 10 per cent of landowners owned 60 per cent of the land (compared with 36 per cent in 1960). The bottom 60 per cent of landowners had only 1 per cent of the land (compared with 25 per cent in 1960). It can be seen that a substantial proportion (between 50 and 60 per cent) of rural households are therefore functionally landless. Most of these are dependent on selling their labour on the farms of others, processing of agricultural products, or work with low-productivity and earnings outside the agricultural sector.

The concentration of land in the hands of a few has enabled this small class to develop a broad range of roles in the rural social structure. They are land-owners, money lenders, merchants, legal authorities and village leaders. Those households with small holdings must supplement the produce and income produced from this source by share-cropping for larger land-holders, usually on very unfavourable terms. Until recently, the multiple roles of members of the local elite have enabled them to establish patron-client relationships with poor households, for whom they provided access to land, employment, credit and assistance during crises in return for exploitative sharecropping terms, low wages and

high rates of interest. Despite the unequal nature of the relationship, it did provide the poor with their only means of security in the harsh and unpredictable environment of rural Bangladesh.

However, the magnitude of the landless class is now so large that the elite have an assured supply of cheap labour. The advantage for the landowner of secured clients is therefore greatly reduced and market forces play an increasing role. The BIDS (1995) study indicates that rural income from manual labour grew at the slowest rate of all sectors, and that agricultural wages were declining as a source of household income by nearly 1 per cent per annum. The real value of wages is declining, if rising prices are taken into account. Since the poor are likely to be perpetually unemployed or under-employed, the labour force advantage of an extended family is minimised and there appears to be a trend towards smaller family units.

The BIDS (1995) study indicates that landowners are also gaining disproportionate access to the benefits of non-crop activities in rural areas. Since 1989, income from such activities as livestock and fisheries has been mainly obtained by the higher income categories. This is explained by their better access to capital, credit and education, all of which help in pursuing such business opportunities. Other sectors from which the poor might expect to derive income have also not experienced favourable trends. Village artisans, such as potters and blacksmiths are increasingly counted among the poor, primarily because of competition from cheap manufactured goods. Similarly, artisanal fishermen, who hardly ever own their boats and nets, have experienced increasing difficulty in deriving a livelihood from this activity. A category of poor people who have proved particularly difficult to assist are the ethnic minorities, who are prevented by cultural barriers from participating in many activities.

The major area in which the poor show some relative gain is in trading, in which they have become increasingly active in recent years. BIDS attributes this improvement to the growth of governmental, private and non-governmental programmes which are providing the poor with access to credit for self-employment. Much of this credit is used for small-scale trading activities.

2.5 Urban poverty

One response to the lack of basic opportunities in the rural areas is migration to urban areas. The rate of urbanisation by far exceeds the rise in employment opportunities, despite the steady growth of the predominant garments sector. Urbanisation has therefore promoted a rapidly expanding category of the urban poor, estimated in 1992 at 12 million

people, of whom 7 million were considered extremely poor. Since the rural situation is unlikely to substantially improve, it can be anticipated that migration to towns and cities will increase, exacerbating the problems already experienced.

2.6 The Government and poverty

Most government programmes are intended to benefit the poor to some extent. Activities expected to target them particularly include:

- Distribution of land. Successive governments have promised agricultural land redistribution, but little has been achieved. Even State land (khas) has rarely been made available to the poor. However, such is the gravity of the imbalance between population and land that even major land reform would not have a substantial poverty reduction impact.
- Availability of credit. The credit-worthiness of the poor was demonstrated by the success of the Grameen Bank. This was taken over by Government, with the aim of providing its credit services to all thanas in the country. Other agencies and large numbers of NGOs have also established somewhat similar programmes.
- Employment generation. Government efforts, although substantial, have had little impact in view of the consistently high numbers of new entrants into the labour market.
- Social service provision, particularly health and education. Shortages of qualified personnel limit the achievements of government systems and are aggravated by insufficient facilities and equipment. In the face of a rising population, expenditure on social services has become increasingly inadequate and amounts to only some 2.3 per cent of GNP according to World Bank figures.
- Relief and rehabilitation. Many such programmes combine infrastructure provision or maintenance with employment generation. Examples have included 'Food for Work', the Road Maintenance Project and the Vulnerable Group Development Programme. Some of these programmes are extremely large. For example, in 1991/2, the Food for Works Programme generated some 72 million labour days, mainly during the agricultural slack season, the payment for which was made in food grain. Such programmes have helped the rural employment situation and improved food security for households involved. However, they have also been criticised for failing to reach the most needy, for widespread corruption and misappropriation of benefits and for providing infrastructure which brings more benefits to the landed than the landless.

2.7 Reasons for inadequate performance of government programmes to reach the poor

Although, as seen above, a number of substantial government programmes perform a 'safety net' function for the poor, it is clear that successive governments have not succeeded in any fundamental restructuring of society which could tackle the roots of poverty. A major reason for this basic failure of government programmes to deliver their intended improvements to the lifestyle of the poor is the close interlinkage between the rural elite and Government. The elite have almost exclusive access to land, education and wealth, which enable them to control the local political system through relatives, contacts and/or corruption. Government 'Food for Work' projects are among those whose benefits are reputed to have been substantially diverted by rural elites. The legal system is similarly largely controlled by the elite, who use it for their own ends when accusations of malpractice are levelled against them.

Government has little capacity to actually implement improvements for the rural poor, since it largely lacks the will and/or the means to disempower the rural elites. For their part, the poor have few means at their disposal to tackle either the local or national elites in order to gain access to benefits intended to reach them.

The Bangladeshi elite is, however, a complex force in society. The NGO movement studied in this report is itself largely the product of an educated and mainly urban elite. Although in its infancy, foreign organisations and individuals played a substantial role in this movement, many of the organisations which became major forces were indigenous creations, whilst others graduated rapidly from overseas to local control. Founders and leaders of many NGOs were motivated in the early stages by social reformist ideals, whilst others had a more welfare-oriented perspective. The development of Bangladeshi NGOs is discussed in more detail later in this report.

2.8 Assessment by NGOs of the situation of the poor

The NGO sector in Bangladesh began at the time of mass relief and rehabilitation efforts, during and after the Independence struggle. This stage was replaced by early efforts at rural development, during which NGOs gave much attention to increasing overall rural productivity. The results of this were disappointing, since it became clear that the rural elite had managed to appropriate the greatest share of the benefits of growth. Thereafter, NGOs began to make their analyses of poverty in terms of the prevalence and dominance of national and local power structures. Poverty was therefore seen as a multi-dimensional problem, which requires changes in the social structure for its alleviation. This type of analysis is illustrated by the 'Problem Tree' provided (see Figure 2.1) in the Five

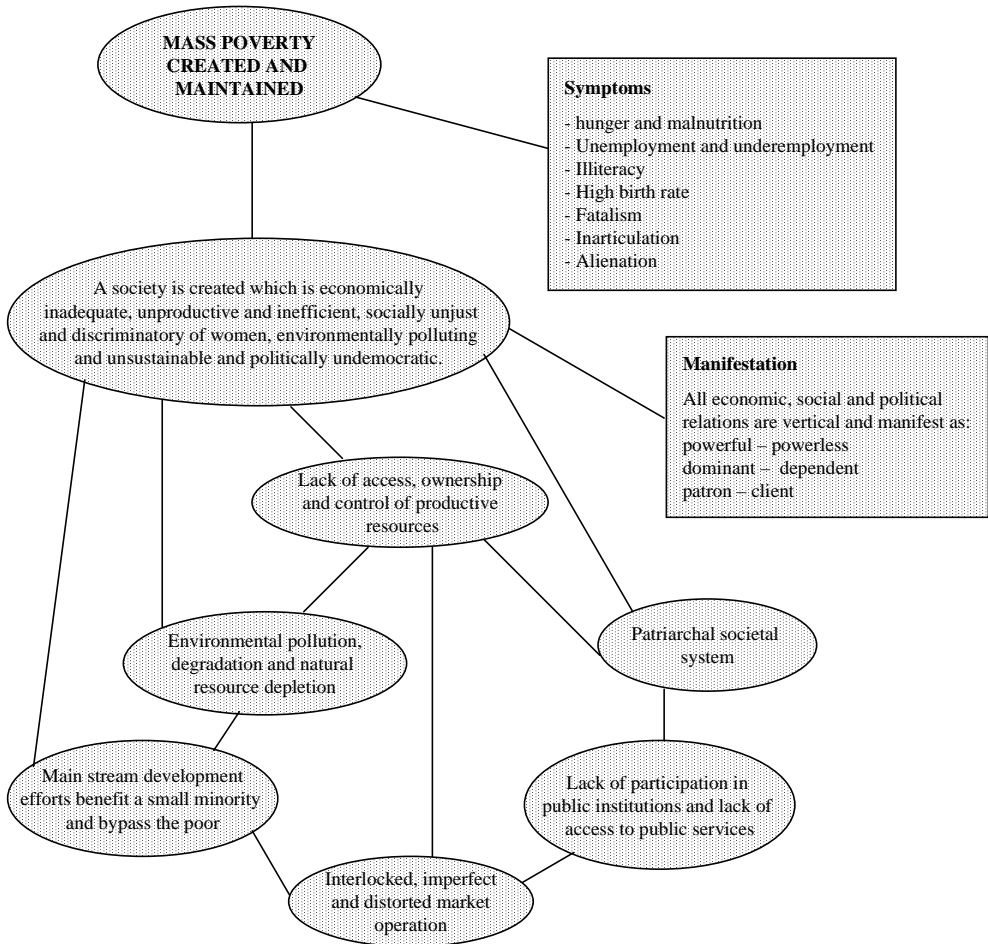


Figure 2.1 ‘Problem Tree’ Analysis of Poverty made by Proshika Kendra

Year Plan of Proshika, one of the major Bangladeshi NGOs. Most NGOs would broadly support this approach to analysing poverty. Over the years, however, substantial variations have entered the sector concerning how NGOs can contribute towards the alleviation of poverty. These are examined in particular in Chapters Three and Seven to Ten of this report.

3 NGOs in Bangladesh

3.1 History and role of NGOs in Bangladesh

The great majority of indigenous NGOs in Bangladesh are engaged in activities falling under the 'welfare' category and are registered under the Voluntary Social Welfare Agencies Act (as described, for example, in 'An Assessment of the Role and Impact of NGOs in Bangladesh', Asian Development Bank, December 1992). Such organisations are said to number over 13,000, but few of these are believed to be currently active. Main areas of operation include health and family planning, whilst other organisations come into activity only in response to natural calamities. Only some 200 indigenous bodies registered under this Act are using foreign funding sources. More than 90 overseas bodies also have such registration, even though many of these are in fact developmentally focused.

Developmental NGOs wishing to receive foreign funding should be registered with the NGO Affairs Bureau and nearly 900 have such a registration (rising from only 300 in 1991). They should then comply with the provisions of a series of Ordinances passed in 1978 and 1982 (see Section 3.8.1). Other NGOs not under the view of the Bureau are registered with the Social Services Ministry, Department of Education, Department of Youth Affairs, Ministry of Forests and the Environment or the Women's Affairs Ministry and receive overseas project funding directly through the respective line Ministries.

From an early stage, developmental NGOs have laid emphasis on empowering the poor against those above them in the social system, notably landowners, money lenders and local politicians, which are often closely inter-connected or overlapping categories. These members of the local elite are seen as depriving the poor of opportunities to sustain themselves through productive activities and of monopolising access to resources provided by Government.

Early attempts to empower the poor had an ideological focus, placing emphasis on the process of 'conscientization' through a cycle of action, reflection and improved action, often in parallel with educational and training activities. Whilst some NGOs, (such as

Nijera Kori, see Section 8.3) retain their concentration on this process, many others now place their major emphasis on provision of services, and most particularly credit, with conscientization remaining as a relatively minor component of activities in the field.

Although the main emphasis of many NGOs has shifted from consciousness-raising activities, most still operate under an ideological approach which differs from that underlying government programmes in similar fields. For example, in an ADB report (ADB 1992) it is observed that 'many NGOs have micro-credit/employment-generation projects similar to the Government's BRDB-Rural Poor Program. In the former, however, the care and attention given to the formation of borrower groups is much greater and is provided within a particular *value-framework*. The far less rigorous social preparation of BRDB is generally accepted as the major reason for lower group sustainability, poorer loan recovery and greater mis-targeting compared to major NGO programs'.

3.2 Major sectors of NGO operation

Major sectors in which NGOs are currently operating are as follows:

- integrated rural development
- savings and credit
- family planning
- income generation and training
- women's development
- health
- education
- adult education
- relief and rehabilitation
- social awareness and motivation
- agriculture
- fisheries
- legal aid
- human and civil rights
- rehabilitation of blind and/or disabled
- child development
- children's homes and orphanages
- environment and forestry
- public health.

These operational sectors are combined in various ways to meet local needs, NGO capacities and donor and/or Bangladeshi government requirements.



Productive employment in Tungi: women making artisanal jute products (Photo by Sean Sprague/Lineair)

In addition to these specific activities, many of which can be grouped under the broad rubric of poverty alleviation, most NGOs have an underlying concern to raise the capacity of the poor to participate in national social and democratic processes. This is undertaken through raising the organisational strength of the poor by group formation and development, as well as by encouraging the poor to avail themselves of government services and to participate in national and local elections. The success of the 1996 national elections, in terms of conduct, rate of participation and voter behaviour, has been partly attributed to the heightened political awareness at grassroots level, which has been raised to a considerable extent by the long-term efforts of NGOs, particularly in rural areas.

Some major activities of NGO operation are outlined below.

3.2.1 Poverty alleviation

Since poverty is so pervasive in Bangladesh (see Chapter 2), the great majority of the poor are functionally landless, and there are relatively few formal sector employment opportunities in rural areas, poverty alleviation strategies of NGOs have focused particularly on possibilities for income generation through self-employment. The Grameen Bank (which falls outside of the scope of this study since it is not categorised as an NGO)

concentrated its efforts on raising capacity in animal husbandry and trading activities. Many NGOs commenced with a broad range of potential activities, supported through training programmes for members. However, they found that relatively few activities were actually viable for the rural poor and have gradually scaled down the range and scope of these activities.

In raising the capacity of the poor to participate in income-generating and civil activities, virtually all NGOs have relied on a process of group building, beginning with groups which can be as small as 5 to 10 people, and affiliating these to higher-level bodies expected to contribute towards empowerment of the poor at progressive social levels. The groups are usually of one sex and intended to contain members of similar economic and social standing in the community. Over time, groups are strengthened through various types of training programmes.

Over recent years, savings and credit programmes have come to form the backbone of most NGO programmes, particularly in the rural areas. Although most NGOs see themselves as having an extremely high recovery rate, these are difficult to assess since the interest rates and time periods over which measurements are made vary and cannot be directly compared between organisations. Furthermore, elements not directly related to credit may be included in overheads for such programmes and, conversely, overheads incurred for credit operations may be shared with other programmes and not directly measured.

3.2.2 Education

Most NGOs see education in one form or another as essential to long-term poverty reduction and empowerment. Many see literacy as a vital component in raising the capacity of poor households to operate in their social environment. Adult literacy programmes have been favoured by some NGOs, while others claim that experience has shown that the poor cannot afford the time commitment required for the attainment of full literacy. Their concentration has therefore shifted towards functional literacy. The interpretation of this concept varies widely and in many cases means little more than introducing the ability to write a signature, which is, however, in itself a socially valued skill.

The growing emphasis is on improving the access of poor children to primary education. This is mainly being tackled through the rapid build up of Non-Formal Primary Education programmes, which run largely in parallel to the government system, and are intended to feed their 'graduates' into this at a later stage. These programmes have the approval and support of Government, which has recognised the deficiencies in its own primary education provision.

3.2.3 Health and family planning

Few development NGOs are concentrating on specialised health and family planning programmes, although many include elements of these sectors in broader activities. Even organisations which began in this area have tended to broaden out to include income-generation elements to enable the poor to access health care services and products. Unlike in the education sector, NGOs have rarely set up parallel programmes to those of Government. An important emphasis has been to inform the poor, so that they can participate more fully in those aspects of government service perceived to be effective, such as immunisation and family planning. This has often resulted in demonstrably higher participation among NGO group members and in villages where NGOs are active.

In family planning, NGOs have played a substantial role in raising awareness and acceptability and in provision of products and services. NGOs specialising in family planning have, however, so far remained largely in urban areas.

3.2.4 Environmental activities

Poverty and landlessness have forced people to live in areas unsuitable or dangerous for habitation. This exacerbates the tendency for frequent disasters which are often a combination of natural events with inappropriate settlement patterns. Population pressure also often leads to excessive pressure on limited land and associated natural resources. Many NGOs in the years after Independence placed considerable emphasis on the necessity for land redistribution to reduce the pressure on environmentally vulnerable areas. However, this process proved virtually impossible to implement in the face of powerful coalitions between landowners and the political system. Accordingly, attention shifted towards other means of poverty alleviation and reducing environmental stress. Social forestry is an important area of concentration for some NGOs. It sometimes brings them into disagreement with Government-sponsored programmes, which place more emphasis on physical replanting targets than on social aspects. Areas in which cooperation between NGOs and Government have had substantial success include NGO member groups leasing strips of roadside land for tree planting and maintenance, as well as fish farming in formerly derelict government-owned ponds. Ecologically sustainable agriculture is another area in which several NGOs have substantial programmes.

3.2.5 Focus on women

Ideologically, many NGOs have focused much of their attention on women, on the grounds that they suffer from multiple forms of deprivation and exploitation. This concentration

has been reinforced by the experience of Grameen Bank and many NGOs that women are more likely than men to repay credit received. At a later stage, donors also placed heightened attention on the importance of women's participation in programmes which they supported.

In addition to the general emphasis on women's participation, many NGOs attempt to strengthen the social position of women with regard to such factors as dowry, registration of marriages, violence against women and access to legal redress. As well as their involvement in the programmes of broad spectrum NGOs, women have also become the focus of a number of specialist organisations, concentrating particularly on their, social, legal and democratic rights.

3.3 NGO funding

3.3.1 *International funding*

NGO fund flows contain both inputs for regular programmes and projects and one-off amounts to alleviate the impacts of the natural calamities which regularly strike various areas of the country. In 1992 (ADB 1992) some \$150 million of funding from external donors was received by Bangladeshi NGOs, supporting over 1,000 projects. Some \$58 million of this was intended for cyclone relief and rehabilitation work. At this time, there were about 20 major bilateral and multilateral donors, 13 of which were each providing over \$1 million per annum. Western CFAs and NGOs were another major source of incoming funds. By this time, the NGO recipients of international funds were already highly concentrated, with between 25 and 30 of the largest NGOs receiving around 80 per cent of international donor funding.

3.3.2 *Donors and NGOs*

Donors to Bangladeshi NGOs characteristically perceive them to have one major advantage over Government. This is their ability to identify appropriate beneficiaries and to involve them in project implementation. Such participation is seen by donors to lead to projects which are more likely to be sustained and successful than those implemented by Government.

Government extension staff are seen by many donors as being unable to effectively reach their poor target groups because they are associated with the political system which has failed to improve conditions of the poor and because they are seen as allies of the rural

elite. Expectations of corruption and exploitation also militate against trust for those representing any level of the bureaucratic system, as do the high degree of centralisation of decision making which introduces delays and inefficiencies into service delivery.

A further advantage of NGOs in the eyes of many donors is their ability (e.g., ADB 1992 P18) 'to stimulate a sense of genuine self-reliance and democracy among the communities in which they work. In pursuing this goal, NGOs help convert poverty sector programs from a supply dominated style into a more efficient and sustainable demand-based pattern of operation'.

3.4 Some perceived weaknesses of NGOs

The NGO sector is perceived by some donors to have a number of important deficiencies. These include the following:

- limited size, scope and impact;
- loose structure, often with limited accountability to beneficiaries;
- inadequate attention to the 'very poor';
- unduly influenced by donors' interests, which may not reflect the priorities of the poor;
- ineffective strategy and implementation of measures to build institutional capacity and self-reliance among the poor;
- insufficient attention to monitoring and evaluation:
- weak planning and management capacity;
- lack of broad social and economic perspective;
- inadequate technical, professional and managerial skills.

The few very large NGOs are often seen as free from most of the above limitations, but as prone to bureaucratisation at the operational level and to excessive reliance on charismatic founders at policy level.

3.5 Government views of NGOs

Bangladeshi Government officers sometimes express the view that donors require far less financial accountability from NGOs than from the Government, even though the former sector has access to very substantial sums of money. This viewpoint has a weak foundation, since NGOs, notably those with approval to receive foreign funding, are subject to a number of legal requirements with regard to their financial probity, including auditing by chartered accountants.

A second major area seen by many Government representatives as a weakness in the NGO sector is the lack of coordination among its members. This is indicated by the high concentration of NGOs in Dhaka, with operations mainly within easy reach of the capital and by the frequently reported cases of duplication of activities of NGOs operating in the same area as one another (referred to among Bangladeshi NGOs as 'overlapping').

Among Government officers, there is also a view that NGOs have high administrative and staff costs. NGOs counter this view by referring to the high social preparation costs of communities which appear as field overheads in their programmes. This level of preparation, they maintain, lays the foundation for their success in reaching many poor communities which are largely untouched by Government. One area where the larger NGOs do differ from Government is in the high level of support available to them, notably vehicles, quality of office environment and equipment, and flexibility to hire additional staff as needed.

The issue of the lack of self-reliance of either NGOs or the groups they foster is another emphasised in Government circles. Against this, NGOs maintain that the level of poverty is so deep and the entrenched position of the elite so strong that their original intention to create independent local groups within a limited time has needed modification. Since the Bangladeshi Government has shown relatively little inclination to fund their activities, they must therefore rely on external donors and/or pursue their own sources of funding. BRAC is the main organisation which has entered substantially into income generation, through such activities as shops, garment factories and printing works (which in 1990 contributed some 30 per cent of BRAC's income). Such activities have not been without criticism. Some donors feel that they move NGOs towards an unacceptably commercial orientation, private sector businesses complain that NGOs receive tax benefits which enable them to compete unfairly in the market, and some Government officers note that NGOs are able to directly provide business for their own enterprises which Government would be required to put out to competitive tender.

In recent years, many NGOs have adopted an increasing focus on credit provision for the rural poor. Some of these programmes have been extremely successful and have expanded to become major undertakings. In several instances, the NGO has become sufficiently effective to cover all of its operating costs from service charges on the credit provided. This represents a substantial development in the growth of self-reliance among Bangladeshi NGOs.

Nevertheless, income from fees and commercial activities of NGOs still accounts for a small proportion of the overall resources of the sector, which is still largely funded by overseas donors. Thus far, Bangladeshi NGOs have been able to continue and even

enhance their attractiveness to donors. In this process, the NGOs see CFAs as playing an important role by keeping Bangladesh in the realm of public and political attention, despite increasing funding competition particularly from countries of the former Soviet empire. Furthermore, the CFAs have been willing and often able to effectively lobby on behalf of partner NGOs, to enable them to access funds from bilateral and multilateral sources.

The availability of funds, particularly from overseas donors with minimal presence in Bangladesh, inevitably gives rise to claims that bogus NGOs have been established to benefit from the situation. Whilst some such organisations have been discovered, they do not yet seem to be a major problem in the sector.

Self-benefiting NGOs are undoubtedly a more significant presence. These range from those established by local politicians or elite members to broaden their sphere of influence, to those set up by professionals or graduates as a means of self-employment in the absence of other attractive options. In such cases, the key issue is whether the organisation provides or will provide an effective and needed service for the targeted poor groups. This can only be investigated through experienced local experts in the sector.

3.6 Support organisations

A large number of non-governmental, private sector and international organisations provide support, particularly training, for development NGOs. One of the most active bodies has been PRIP, which began as a ten year (U.S. Aid-funded) technical assistance project run by an American NGO called PACT, but which is now an independent local organisation. In 1992, PACT/PRIP published a 'Directory of Support Organisations and Support Services to NGOs', which gives details of support programmes offered by 45 NGOs and four private organisations. PACT/PRIP has also produced a 'Directory of NGO-Business Partnership Possibilities' and a 'Directory of NGO Networks in Bangladesh', as well as undertaking a number of capacity building programmes in the sector. PRIP was instrumental in the creation of the Credit and Development Forum, a network of 77 small and large NGOs providing credit services to the poor.

3.7 Apex organisations and networks

The major national apex organisation for NGOs is the Association of Development Agencies (ADAB). This was founded in 1974 and is itself registered as an NGO. Member organisations may register as central (i.e. Dhaka based) or chapter based, within three categories:

- full members (engaged in project implementation);
- associate members (involved mainly in project funding);
- chapter members (small local NGOs or local branches of national bodies).

ADAB membership figures are currently (1993): 190 central members (including 175 full and 15 associate) and 505 chapter members. The 190 central members include 76 local, 69 national and 45 international NGOs (source: ‘Great Expectations—Report of the Evaluation/Appraisal of the Association of Development Agencies in Bangladesh,’ December 1993).

Since 1991, ADAB has been mainly funded by a donor consortium comprising, the Ford Foundation, PACT/PRIP, Novib and Swiss Development Cooperation. In 1994, the Association published an ambitious ‘Declaration Regarding Definition, Statement of Purpose and Code of Ethics’ for itself as an organisation and its members, which were at that time defined as ‘Private Voluntary Development Organisations’. The range of activities proposed in this document for ADAB will be difficult for it to fulfil in view of its limited staffing and capacity.

Although most major NGOs are members, some significant organisations have remained outside ADAB, including the Association for Social Advancement (ASA), Gonoshasthya Kendro (GK) and Swanirvar Bangladesh.

In addition to ADAB, there are a number of sectoral coalitions of NGOs. A Directory of NGO Networks published in 1992 (ADAB/PACT) lists some 39 such bodies. These include:

- Campaign for Popular Education
- Voluntary Health Services Society
- Family Planning Council of Voluntary Organisations
- Coordinating Committee on Human Resource Development
- Association for Land Reform and Development
- Forum for Agricultural Reform Movement
- Credit and Development Forum.

An external evaluation of ADAB was conducted in 1993 (‘Great Expectations’, 1993). It made a substantial set of recommendations, mainly focused on management and staff development, financial strengthening, ensuring adequate representation of chapter members on the Executive Committee, changes in ADAB’s training role for NGO members, women in development, relations with Government and communications strategies.

3.8 Government and NGOs

3.8.1 Policies and legal requirements

The enormous growth of NGOs since Independence is evidence of a degree of tolerance on behalf of the Bangladeshi Government. However, the relationship between the two sectors has not been smooth or consistent. Government has sought to keep some control over the funds reaching NGOs from external donors, on the grounds that such money is intended to serve the people of Bangladesh, who are represented only by the Government. For many years Government insisted that NGO funding from outside the country should be separate from and in addition to amounts negotiated between itself and international donors. Regulation of the sector was extensive and the associated bureaucracy slow moving, causing delays and frustrations to NGOs and their donors.

As yet, there is no coherent government policy towards NGOs, although the latest Five Year Plan indicates that NGOs will play a role in supplementing Government efforts, but in close coordination with decentralised planning of the authorities at Upazilla and Union level.

Locally based NGOs which are not receiving foreign funding must be registered under the pre-Independence (1961) Voluntary Social Welfare Agencies (Registration and Control) Ordinance. This was supplemented in 1978 by an instrument designed to control the flow of foreign funds, the Foreign Donation (Voluntary Activities) Regulations Ordinance of 1978. This Ordinance resulted in an almost unworkable set of procedures under which all relevant Government Departments were invited to comment on each project for which foreign funds were planned. The law was amended by the Foreign Contributions (Regulation) Ordinance in 1982, but with no great effect. NGOs and donors worked as best possible under the Ordinance until 1988, when disaster relief was rendered ineffective by its bureaucratic requirements and Government felt it necessary to act. An NGO cell was established within Cabinet Division of the President's Secretariat and each Ministry dealing with NGOs had to form a high-level Steering Committee to cover this area. In 1989, in the face of considerable donor and NGO pressure, Government decided to establish an NGO Affairs Bureau to streamline procedures and improve coordination among Government Ministries. The Bureau is attached to the Prime Ministers' Secretariat.

3.8.2 The NGO Affairs Bureau

The Bureau now has primary responsibility for handling the Government's interests with regard to NGOs receiving foreign funding. It has a staff of 16 professionals and 40 support

staff. Major responsibilities of the Bureau are set out in Government Circular Number 22.43.3.1.0.46.93-478 of 27th July 1993. They include the following:

- provide a one stop service to NGOs for registration and project approval;
- approve projects submitted by NGOs, release of funds and clearance for employment of expatriates;
- administer laws relating to NGOs;
- examine and assess financial returns and reports submitted;
- liaise with and monitor operations of NGOs;
- collect fees on behalf of the Bangladeshi Government;
- conduct field inspections and audits where considered necessary;
- deal with all other matters arising in connection with NGOs.

Although the Bureau is mandated to support and regulate the operations of NGOs, it can in fact barely keep up with the paperwork required for applications for NGO registration and project approval. The Bureau has managed to reduce processing times and is in any case not allowed to exceed a 60 day limit for dealing with an NGO application for project approval. However, it lacks staffing, equipment and supporting budget to develop systems to effectively monitor NGO activities or establish readily accessible management information systems.

From the point of view of the NGO community, the Bureau has made some improvement to their operating environment, but more needs to be done, particularly with regard to the legislative framework and its application. Requirements such as those of renewing their registration every 5 years and of prior approval of their projects from Government every year, are seen as unnecessary and in need of removal. The Asian Development Bank is now implementing a project designed to strengthen the capacity of the Bureau as well as to render Government–NGO interactions more positive and effective.

3.8.3 Collaboration between Government and NGOs

The main areas in which the Bangladeshi Government systematically cooperates with NGOs are primary education, health and family planning. In other sectors, NGOs have been allowed to operate as sub-contractors on GOB projects. In a limited number of cases, GOB has channelled foreign funding to NGOs as major implementers. Some of the larger NGOs themselves are, at least at the national level, seeking to bring their activities into a coherent relationship with government policies and programmes. However, this more cooperative approach between GOB and NGOs has not yet generally filtered down to local levels where coordination is also essential to maximise benefits of scarce resources.

In considering potential areas of collaboration between NGOs and the Asian Development Bank, the ADB consultants noted that many NGOs are reluctant to work on bilateral or multilateral programmes for fear of losing their flexibility or capacity to innovate. In particular, they do not wish to become mere implementers of policies and programmes already determined by Government and donors. However, a number of NGOs have played such a role in Netherlands-funded projects, notably in the water and land reclamation sectors, with the Bangladesh Water Development Board as the major implementing agency. Projects have included the Land Reclamation Project (Nijera Kori and Seba), the Delta Development Project (Nijera Kori) and the Early Implementation Projects (Proshika, BRAC, FIVDB, ASA, AVA and others).

4 The role of the CFAs in Netherlands overseas development assistance

4.1 The early years of co-financing

In 1965 ‘co-financing by the Government of development projects of non-commercial private organisations’ began with a budget of Dfl. 5 million per annum. The Co-Financing Programme was initially intended to assist activities fulfilling the following criteria:

- transfer of knowledge;
- execution of projects by non-commercial private organisations;
- not involving support to the government of the recipient country;
- agreed to by the government of the recipient country;
- 25 per cent of project costs to be met by the overseas counterpart organisation.

These criteria underwent a process of regular adaptation. For example, as early as 1972, it was decided that the transfer of technical knowledge to local NGOs was less important than institutional support and strengthening, which received increasing attention.

In 1968, the Co-Financing Programme was institutionally formalised by Government. Potential activities for funding were only to be submitted through a limited number of national intermediary organisations, which became known as the Co-Financing Agencies (CFAs). Projects developed under the auspices of Protestant churches were to be coordinated by ICCO, those of the Catholic churches through the Centraal Missie Commissariaat (a task taken over by Cebemo in 1969, which in turn became part of a new organisation named Bilance in 1995), with Novib being responsible for coordinating projects presented through other sources. These CFAs were to receive an allocation of government funds for an initial period of four years, viewed as long enough for them to develop their own policies and priorities within the broad framework of national overseas development policy managed by DGIS (then DTH). Of the total fund allocation, 40 per cent was reserved for management through ICCO, 40 per cent through Cebemo and 20 per cent through Novib. (This allocated was updated in 1978 when Hivos joined the system). Projects supported by the CFAs required DGIS approval before funds could be committed.

In 1974, the CFAs presented their collective vision on the development process and their role within it, through the *chairman's declaration*. Fundamental to this modified vision was the use of a target group approach, which in part responded to criticisms that the early CFA programmes had not stimulated structural changes in favour of the poorest members of the populations served. This new approach was further developed at the 1974 Zandvoort Conference, which adopted revised policy criteria for programmes supported by CFAs. These criteria included:

- working with the poorest sectors of rural and urban populations;
- responding to initiatives from local communities;
- supporting activities which try to stimulate formation of local leadership capacity;
- activities focusing on social justice and self-reliance for target groups.

In 1977, the *Memorandum on Bilateral Aid* included further updated proposals for cooperation between Government and the CFAs. This Memorandum was discussed at the 1978 Zandvoort Conference, at which the CFAs responded to the government proposals with some of their own. They requested a system under which projects which they co-financed would no longer require prior approval of the Government. This concept was approved in 1980, when Government introduced the 'Programme Financing Model' (PFM) for CFAs. This removed the need for approval of individual projects, but required DGIS to ensure quality control through a combination of assessment of yearly reports from each CFA and through six evaluations per annum of selected CFA programmes. The PFM itself was to be evaluated at regular intervals. Since this time, three evaluations have been undertaken, with the key conclusions as indicated below.

4.2 Evaluations of the programme financing model

4.2.1 Evaluation 1980–83 by Commission de Gaay Fortman

The evaluation of the first three years of the programme was positive. The study found that the CFAs had adhered to the target group approach and concentrated on the broad policy objectives of contributing towards the development of active participation of the poor in the development process, assisting in progress of the poor towards sustainable livelihoods in the long term and strengthening of social, political and cultural human rights.

Following this evaluation and internal DGIS deliberations (Jaarverslag Ontwikkelingsamenwerking 1984), it was concluded that the Co-Financing Programme (CFP) was playing a prominent role in achieving poverty alleviation and that this might be further supported by allowing CFAs and their partners to access sources of funding from

the national development budget in addition to those of the CFP. These included funds from the Rural Development Programme, Regional Programmes, Humanitarian Funds and Emergency Aid Funds.

4.2.2 Evaluation 1984–88 by Commission Rutten

This evaluation was also largely positive. It concluded that the close contacts between CFAs and NGOs in assisted countries, together with the CFAs' accumulation of knowledge of local situations enabled them to efficiently assist in improving the material and social well-being of their target groups. The evaluation also saw an important role for CFAs in influencing national and international policies in favour of structural approaches to poverty alleviation.

4.2.3 Evaluation 1989–92 by Commission Jonkman

The conclusion of this evaluation was that the CFAs had adequately and coherently used the general policy, priorities and criteria of the Programme Financing model. A structure for coordination between the CFAs and all other relevant parties to the Programme had been established and was working satisfactorily. Participants in this structure were the CFAs, GOM, and various departments of the Ministry for Development Cooperation. The participants met on an annual basis to discuss policy and management issues of the Programme and more generally to consider issues in development cooperation. The evaluation recommended that in future the annual deliberation should reserve more time to consider policy aspects, with a reduction in time devoted to management issues. The CFAs had found the programme evaluations instituted under the CFP to be useful and they were increasingly willing to respond to recommendations concerning their activities.

Some modifications to working practices under the CFP were recommended. CFAs were asked to ensure that their annual reports were prepared in a manner to facilitate comparison and that they should contain all information necessary to assess the activities undertaken. Financial control procedures were to be simplified.

The evaluation recommended that for the next four years, the following policies should be emphasised:

- CFAs should focus on structural poverty alleviation in order to promote a sustainable improvement in the position of the poor;
- target groups should be assisted to reach a position from which they can support themselves in the long term;

- target groups should be assisted to participate in the political, economic, social and cultural development of society;
- the CFP should aim to strengthen progress towards internationally accepted civil, political, social, cultural and economic rights for all sections of the population.

Within these broad intentions, it was recommended that the CFAs pay particular attention to the importance of:

- the participation of women in development;
- the environment as a component of sustainable development;
- the advantages of geographical and sectoral coherence.

In implementing the CFP, CFAs were also advised to give priority to:

- programmes with a process approach to development;
- programmes initiated by and giving direct benefits to the target groups;
- organisations which are supported by the target groups or in which target groups contribute to the formulation of policy.

Within these principles, DGIS/DPO would not indicate which countries CFAs should include in their programme, or how they should operate within individual countries. As an implication of this, the CFAs were not obliged to follow DGIS country policies in the lands in which they operate.

4.3 Individual programme evaluations

In addition to the overall CFP evaluations described above, DPO/MP has conducted between four and six evaluations of individual programmes each year. These aim to provide a deeper insight into the functioning of the CFP and to enable CFAs to improve the quality of their cooperation with their counterparts. They are also intended to contribute towards the overall learning process for all parties, including the Netherlands Government, CFAs, counterpart organisations and target groups.

This set of evaluations has passed through three phases to date, each with a different emphasis.

Programme evaluations for the period 1987–89 concentrated on the following major themes:

- the role and significance of NGOs in developing countries;
- income-generating and productive activities;
- integrated rural development, including health care.

Within all evaluations, the role of women in development activities was studied.

For the period 1990–93, evaluations concentrated on the themes:

- income-generating and productive activities;
- sustainable agriculture, with an emphasis on environmental aspects;
- human rights activities and democratisation processes.

Within all evaluations the role of women in development activities was included and, wherever considered relevant, environmental aspects were examined.

During the years 1993–95, evaluations concentrated on the following themes:

- income-generating and productive activities;
- supply of basic social needs;
- institutional development.

Gender and environmental aspects were to be appropriately incorporated in the studies.

4.4 The Co-Financing Programme Impact Study

In 1991, a study was undertaken in several countries to measure the impact of the work of the CFAs. This study drew attention to the nature of the contribution of NGOs to society. It concluded that they should not be seen as an alternative to Government in the development and execution of social and economic policy. Rather, they should act as a catalyst to change. They can play a key role in connecting micro and macro processes in society and bring poverty-related subjects to the attention of the public and politicians. The building of civil society should be a major area of attention for them. Since these tasks are complex in nature, a fundamental role of CFAs should be to provide NGOs with opportunities for reflection and analysis, in addition to any technical advice necessary. However, the Impact Study concluded that the CFAs felt themselves under such pressure to execute programmes that they often acted hastily and with limited reflection on the nature of the activities being supported. The knowledge available to them, for example as a result of running similar programmes in several countries, was inadequately shared with their partners.

During the course of this study, NGOs indicated that they had to spend too much time writing progress reports, particularly when they had several donors. This gave strength to the idea of lead donors, who could coordinate on behalf of an NGO with all of its funding partners, and to the advantages of donor consortia or ‘round tables’. Although NGOs were required to produce substantial volumes of documentation, the study found that CFAs often had too little time to read these documents thoroughly and therefore tended to concentrate on monitoring the financial aspects presented. Measures proposed by CFAs to respond to this difficulty included requiring progress reports annually instead of twice yearly, reducing their number of partners, and having intensive contact with a small group of large partners, whilst retaining mainly financial contacts with smaller

partner organisations. In the light of these proposals, the impact study emphasised the importance of ensuring that small NGOs are not ignored in the CFP because of the need for CFAs to retain intensive contact with their larger partners.

The Impact Study further proposed that CFAs should stimulate NGOs to generate at least a proportion of their own budget. In principle, the CFAs should aim to assist organisations to attain financial independence, although it was realised that this is a very difficult proposition in poor countries.

Problems of measuring the achievements of Netherlands' assistance through CFAs were noted by the study. In assessing the impact of specific projects, precision has been limited by the absence of reliable baseline data. Furthermore, in many cases the objectives of projects or programmes have been vaguely formulated, making the collection of information to assess achievements against objectives extremely difficult. The study also noted that there are often many factors external to project interventions which can influence results positively or negatively. In addition, many NGOs work with several donors, so that the impact of the 'Netherlands share' can scarcely be determined.

The study recommended that, if CFAs are to adequately investigate the impacts of their support, they should ensure that initial objectives are clear, acquire adequate baseline information and conduct regular monitoring during the course of implementation. Although these measures could be expected to improve assessment of projects with economic or other clearly definable objectives, the study also noted that the performance of programmes in which consciousness raising and similar objectives are central will remain difficult to assess.

The impact study suggested that the contribution of NGOs to poverty alleviation remained intangible. In the six countries studied in detail, less than Dfl. 1 per capita was disbursed through foreign aid support to NGOs, making it improbable that any measurable reduction in poverty was being achieved through these means. The study therefore proposed that the raising of consciousness in partner countries of the need and means of poverty alleviation was a more plausible achievement of assistance through NGOs than any direct and large-scale improvement in living conditions.

4.5 Responses to the Impact Study

In response to the findings of the Impact Study, the CFAs announced a set of measures to improve their organisational capacity and programme contents. These measures covered the following broad areas:

- operationalisation of policy;
- orientation of partner organisations;
- reflection on the nature of the relationship with partner organisations;
- integration of priority themes of human rights, women and development, and the environment;
- concentration on a few countries, with more attention for Africa;
- professionalisation of the work of partner organisations;
- professionalisation of the working systems of the CFAs;
- attention for cost effectiveness;
- modification of financial procedures;
- intensification of cooperation between CFAs.

The achievements of these measures were discussed in a report 'With Quality in Mind' produced by the CFAs in 1995. One of the measures taken was the preparation of a series of country studies of CFA programmes, commissioned by the *Gemeenschappelijk Overleg Medefinanciering (GOM)* and funded by DGIS. In October 1995, a country report on Bangladesh was released as part of this series.

4.6 Distribution of the co-financing budget

Under the Programme Financing Agreement, the CFAs receive 7 per cent of the budget for Development Cooperation (to be increased to 10 per cent in 1999). The amount involved has risen steadily in keeping with the overall Overseas Development Assistance (ODA) budget and the increasing ability of the CFAs to use the available resources. In 1974, the total amount disbursed under the programme was Dfl. 51.8 million and by 1995 this had risen to Dfl. 490.9 million. Furthermore, over time the CFAs have gained increasing access to additional sources of DGIS funding, from Category I (Emergency and Relief), Category II (Rural Development) and 'VPO' funds (Food Aid and the Private Sector) to meet requests that could not be funded from the regular Co-Financing Programme.

The budget distribution between CFAs stood for some years at one third for ICCO, one third for Vastenactie and Cebemo (which in January 1995 combined to form Bilance) and one third for Novib and Hivos (of which Novib received two-thirds). Under the *Raamweg-III Accoord*, a modification was agreed, giving ICCO and Cebemo an equal share of 60 per cent of the budget, with Novib and Hivos obtaining a slightly higher combined share of 40 per cent.

5 The Netherlands–Bangladesh development cooperation programme

5.1 Introduction

Netherlands development cooperation with Bangladesh started shortly after Independence in 1972. In the Main Report of this Country Study a more detailed presentation is made of the programme and its relationship to Netherlands government policies. The current chapter provides a brief overview. It draws on a number of policy documents, which for ease of reading are not individually cited, but which are listed in Annex 3.

The earliest motivation to provide aid to Bangladesh was the urgent need for humanitarian assistance and rehabilitation of the economy after the struggle for independence. After this phase, the prevalent and extreme poverty of the country made it one of the Netherlands' major partner countries. Since 1972 the Netherlands has maintained a continuous and substantial aid relationship with Bangladesh, with disbursements until 1995 totalling Dfl. 2.4 billion.

5.2 Policy priorities of Netherlands development cooperation

Policies of Netherlands' development cooperation have consistently focused on four priorities:

- promotion of economic development, initially narrowly interpreted as GDP growth, later redefined as economic self-reliance;
- poverty alleviation
- environmental concerns;
- women in development.

The policy modifications made by individual Ministers responsible for Development Cooperation can be seen as representing refinements in emphasis among these four priorities, rather than fundamental changes in orientation.

5.2.1 Economic self-reliance

Until the mid-1970s Netherlands' assistance was mainly capital or financial and heavily concentrated in four countries (Indonesia, India, Surinam and the Netherlands Antilles). Most development aid was given through multilateral institutions. Bilateral aid increased from 10 per cent in 1966 to about 30 per cent of the total aid budget in 1972. Until the early 1970s, the main policy priority of the Netherlands' aid programme was economic development of the poorer countries. The role of commercial and industrial interests in development assistance was considerable.

5.2.2 Poverty alleviation

Poverty alleviation has always been the main justification for Dutch development assistance. In the early 1970s, it became accepted in development circles that the poorest part of the population in developing countries had not benefited from policies emphasising economic growth. Increased attention to poverty alleviation was the result. The World Bank reformulated its development models to concentrate on 'Redistribution with Growth', which had a more explicit focus on poverty alleviation. In 1976, poverty alleviation became the main policy priority for Netherlands' development cooperation. This policy priority was combined with the objective of promoting economic self-reliance in the so-called 'two-track' policy. The type of aid given should respond to the policies of the recipient country. If the priority of the partner government was not seen to include an adequate policy for the distribution of the benefits of economic growth, Netherlands aid should be targeted on the poorer segment of the population (through project aid or NGOs).

In 1984 the two policy priorities were integrated into one 'track': structural poverty alleviation. This was based on the assumption that poverty reduction can only be achieved in a growing economy. The possibilities for an external donor to effectively alleviate poverty in any developing country were accepted as limited. The main contribution a donor can make was therefore seen as the promotion of a sound economic basis for poverty alleviation, which can only be achieved by the Government of the recipient country itself.

5.2.3 Environment

In 1979 the sustainability of the natural resource base was introduced as a precondition for successful development assistance. The analysis of the environmental consequences of

development activities was advocated. In 1982 the international aspects of environmental problems were recognised. Policy emphasised an active approach to the identification and reduction of environmentally detrimental activities.

As a reaction to the report ‘Our Common Future’ (1987), the Minister of Housing, Planning and Environment formulated a government policy that included the following elements:

- promoting a consistent foreign policy, aimed at sustainable development;
- strengthening the environmental infrastructure in developing countries;
- integration of environmental criteria in Netherlands development cooperation.

5.2.4 Women in development

In 1980 the Government published a policy paper focusing specifically on the position of women in the development process. In this paper a policy aimed at strengthening the position of women was advocated. Since then the issue of women in development has played an important role in Netherlands development policy. In 1987 a ‘programme of actions’ was published, aiming to promote the economic independence of women. Gender issues were to be integrated in all programmes and projects. In 1991 a Special Programme on Women in Development was established.

In 1992 a policy paper was published emphasising the need to work towards the economic and social autonomy of women. Women and development objectives must be formulated for all different aid channels. By 1998, 50 per cent of expenditure on Dutch activities in bilateral programmes must satisfy the OECD/DAC/WID criteria. This means that women should be involved in the design of development programmes, and that obstacles to women’s participation should be identified and removed. In all programmes, the impact on women must be monitored and assessed, and where necessary programmes should be modified to overcome any limitations identified.

In the following sections some main characteristics of the Netherlands–Bangladesh development cooperation programme are traced over the years. This account is derived from instructions for and agreed minutes of bilateral consultations, policy plans and discussion papers.

5.3 The Netherlands–Bangladesh development cooperation programme 1972–95

5.3.1 Introduction

Widespread extreme poverty was the main justification and motivation to include Bangladesh as one of the concentration countries for Dutch aid. Poverty alleviation, therefore, has been the main objective of Netherlands assistance in Bangladesh throughout the years.

The development cooperation programme between the Netherlands and Bangladesh evolved from, initially, a concern with rehabilitation and humanitarian assistance to a more complex and broader focused programme. Most noticeable is the continuous and long standing relationship in the water management sector, the phasing-out of activities in the transport and distribution sector and in industrial development (including the development of natural gas exploitation), the decline of programme aid and the increased importance of activities in the social sectors (health, population control and education).

Between 1979 and 1985, Annual Policy Plans were agreed between the two countries. After this time, three year policy plans were agreed. The policy documents give maximum freedom of action to those concerned in project selection and supervision. They do not provide any clear guidance for the selection of sectors or projects. In general the policy papers show a largely ‘project focused’ view of the development cooperation relationship. Wider considerations are occasionally mentioned, but no consistent analysis of development constraints in Bangladesh is presented.

5.3.2 Evolution of the programme

During the early years after the independence struggle, in the period 1972–75, the emphasis was put on humanitarian assistance and the rehabilitation of infrastructure (mainly in the transport and distribution as well as the water sectors). This was thought to be the most effective way to enhance the living conditions of the people of Bangladesh, among them the poorer segments of the population.

It appeared, however, that projects aimed at the construction of infrastructure did not have the expected positive effects on the situation of the poorer section of the population. Analysis suggested that the GOB focused strongly on construction aspects, with much less attention paid to the distribution of benefits. This resulted in an increased emphasis on the part of GON on poverty alleviation as the main objective of development cooperation.

This emphasis on poverty alleviation did not, however, lead to any bilateral programme that mainly or exclusively targeted the poorer section of society. Rather, in all sectors in which the Netherlands has provided aid, it is indicated that attention has been paid to poverty alleviation.

Most of the aid has, however, remained rather technical in nature, in accordance with the priorities of the Bangladeshi counterparts. Explanations given in DGIS documents for this emphasis have included the focus on cooperation with specialised government agencies, which themselves primarily emphasise technical aspects, and the structure of the bureaucracy and broader society, which make it difficult for bilateral programmes to reach the poor. 'In those programmes where the Netherlands has made aid to the poor a major component of activities, it has only been possible to achieve any results at all by means of enormous efforts'.

Numerous policy documents discuss the problems of effectively combating poverty and describe steps taken in the attempt to more accurately focus on activities through which the poor can be reached.

5.3.3 Sectoral focus of Netherlands development assistance

Until 1976 the emphasis was on import of food and commodities for industry and the rehabilitation of the infrastructure. After 1976 the emphasis shifted progressively to project activities, combined with an important component of programme-aid. Table 5.1 provides an overview of the priority sectors defined in the different policy documents.

The 1989–92 country programme indicates that the selection of these sectors has been based on a 'protracted evaluation process'. Criteria for selection were effectiveness and priority rather than their mutual relationship and integration. The need to combat poverty and the question of benefits distribution have also played an important part in the selection of sectors, both for projects (e.g. primary education and drinking water supply) and for programmes (e.g. supply of raw cotton and of roof covering materials).

5.3.4 The role of NGOs

The Netherlands' Government is aware that it cannot itself make a substantial improvement to the position of the many millions of people who are living below the poverty line in Bangladesh. It therefore also supports various non-governmental initiatives (both through NGOs and the private sector) which are expected to promote economic growth and poverty alleviation.

Table 5.1 The changing sectoral focus of Netherlands bilateral aid to Bangladesh

Source	Priority sectors and activities
Review of previous period in country programme 1979	<ul style="list-style-type: none"> – physical infrastructure (transport, communication); – social infrastructure (health care, drinking water supply); – water management (dredging, irrigation, drainage, land reclamation, construction of embankments and flood protection); – food storage and food production.
Review of previous period (5–10 years) in country programme 1986–89	<ul style="list-style-type: none"> – food production; – water management; – social infrastructure; – industry and energy.
Review of period 1985–88 in country programme 1989–92	<ul style="list-style-type: none"> – food production; – water control; – social infrastructure; – energy and industry.
Country programme 1989–92	<ul style="list-style-type: none"> – food production (supplying agricultural inputs and improving storage capacity). Agriculture is also supported by water control and assistance to the fertilizer industry; – physical infrastructure (water control, water transport); – social infrastructure (health care and population, drinking water supply, education and research); – industrial development (fibre industry, chemical industry, small- and medium-sized business); – energy.
Review of previous period in country programme 1992–95	<ul style="list-style-type: none"> – rural development (integrated rural development, agriculture and water management, social infrastructure—including drinking water, education, health care and family planning—and physical infrastructure focusing on water transport); – industry; – energy.
Country programme 1992–95	<ul style="list-style-type: none"> – rural development (integrated rural development, agriculture, water management); – environment (mainly the integration of environmental components in priority sectors—agriculture, water management and drinking water); – women in development; – alleviation of urban poverty; – social infrastructure; – physical infrastructure; – culture.

Non-commercial private initiative plays a vital role in directly combating poverty. Activities by NGOs are receiving a substantial and increasing amount of support from donors. The role of NGOs complements that of the GOB. The assistance of NGOs is particularly utilised by the Netherlands in poverty alleviation. In principle the aid provided to NGOs through the CFAs concentrates on primary education, rural and small-scale industrial credit, consciousness raising, health care, population activities and ecology. Where appropriate, the importance of freedom of action for NGOs is emphasised in consultations with the GOB and other donors. The programme implemented by NGOs with Dutch CFA assistance is described in Chapters Seven to Ten.

5.3.5 The growing importance of special programmes

In the 1986–89 country programme it is mentioned that attention will be given to the position of women in the development process. This approach includes:

- expansion of the number of activities specifically aimed at women;
- emancipation of women through productive employment: this will be included in the appraisal of future activities;
- avoiding unintended negative side effects of projects on women.

In the document describing the next programme period (1989–92) it is indicated that still greater attention will be devoted to creating more opportunities for women. In the appraisal of future activities, effects on the employment of women will be a particularly important factor. If aid projects lead to change, care will be taken to ensure that it does not have any detrimental effects on women. Activities which can specifically improve the status of women will be supported where possible. Ways of increasing the number of women deployed as experts or on short-term missions are also being sought.

The ecological aspects in all projects will be also be emphasised. If necessary, specific environmental components will be integrated in projects. Furthermore, the number of specialised ecological projects will be increased.

5.3.6 Donor coordination

Donor coordination takes place under the leadership of the World Bank, through the yearly consortium meetings and the talks that precede them. Stimulating attention for poverty alleviation and other crucial needs of the country is undertaken through the ‘Like Minded Group’, a platform of bilateral donors (Norway, Sweden, Canada, Denmark and the Netherlands).

A specific form of donor coordination is the increasing tendency to group aid activities in consortia. The Netherlands has actively promoted this form of co-financing with multilateral (WB, EC, ADB) and bilateral donors (SIDA, NORAD). In future, between 20 and 30 per cent of aid will use this international co-financing route.

5.4 The Netherlands CFAs and Dutch policy agreements with Bangladesh

The Netherlands CFAs are, in principle, not obliged to work within the Country Agreements made between Ministries. But, since ‘structural poverty alleviation’ is one of the major specialisations of the CFAs under their contractual agreement with the Ministry of Foreign Affairs, it is therefore understandable that they have played an important role in the overall Netherlands assistance programme in Bangladesh. This is particularly so in rural development which was until recently seen as the major area through which poverty should be addressed. In recent years, attention of DGIS through the RNE has also turned towards primary education and urban slums as important sectors in which assistance can make a contribution towards poverty alleviation. The means utilised by the CFAs and their local NGO partners to tackle the challenge of poverty are outlined in the following chapters.

6 History and partnerships of Netherlands CFAs and the RNE with NGOs in Bangladesh

Three Dutch CFAs are active in Bangladesh. These are Balance/Cebemo (since historically most activities to date have been initiated and undertaken by Cebemo, this name will usually be retained to describe past and current activities), Novib and ICCO. An introduction to the Bangladesh programmes of these CFAs is presented below. The Royal Netherlands Embassy also cooperates with a number of NGOs, including the largest (BRAC), as well as several smaller ones, particularly those with an emphasis on women's programmes. The role of RNE with regard to NGOs is therefore also outlined in this chapter.

6.1 Programmes of the CFAs and the RNE

6.1.1 *Cebemo (now Balance)*

Drawing on its contacts within the international network of Catholic institutions, Cebemo was able to commence cooperation with Bangladeshi partners shortly after Independence. In the earliest phases, short-term aid was given to help local church-based or church-related organisations in their relief and mission activities in the war-ravaged country.

The first funding of a sizeable developmentally-oriented project began in 1979 with support for the Development Extension and Education Services (DEEDS) programme. The approach of this project drew on the 'liberation theology' movement and the educational theories of Paulo Freire, both of which were highly influential in international church circles of that era.

Cebemo has gradually developed partnerships with some 30 organisations in Bangladesh. Specific objectives and intervention areas of these organisations cover a broad range, including basic education and occupational training, advocacy for human and legal rights, health care, promotion of women's interests, savings and credits, and income-generating activities. The traditional 'church links' remain an important ingredient of Cebemo's

assistance and influence its network of partners in Bangladesh. However, it can be observed that Cebemo's cooperation has also developed a substantial secular dimension, in its objectives and approaches as well as in the characteristics of partner organisations.

Within the context of its South Asian programme, Cebemo's presence is very substantial in Bangladesh. Two of the biggest NGOs in the subcontinent have close links with Cebemo, namely ASA and Caritas Bangladesh. Historically, the abrupt halt of Dutch aid programmes in Indonesia allowed the reallocation of large sums to countries including Bangladesh. Furthermore, the generality and depth of poverty in Bangladesh, coupled with the high absorptive capacity of its NGOs have made it a highly eligible country for Dutch aid.

Caritas Bangladesh is historically the most important partner for Cebemo. This relationship is not limited to funding partnership agreements, but also extends to an 'umbrella' role for Caritas as adviser to Cebemo on its policies in Bangladesh and monitoring of activities implemented by several smaller NGO partners.

Cebemo intends not only to concentrate on its six larger partners in Bangladesh, but also to make resources available to smaller organisations, sometimes in remote areas, since these reach target groups which do not have easy access to other external support agencies. Cebemo's policy aims to avoid an over-predominance of big NGOs in its partnership network in Bangladesh.

Traditionally the projects and programmes supported by Cebemo focus mainly on the rural poor, specifically the landless and marginal farmers, and especially women. The number of projects focusing on women's interests has become very substantial, currently accounting for about 75 per cent of the total. Since the beginning of the nineties, some room has been made for projects with urban target groups, such as the work of the Dhaka Ahsania Mission (DAM), which concentrates on non-formal education.

6.1.2 *Novib*

Novib began developing its network of partners in Bangladesh shortly after the country gained independence from Pakistan in 1971. In the early years, a small number of large projects in the health sector (notably a pharmaceuticals factory) caused high disbursements. Of the three Dutch CFAs active in Bangladesh, Novib makes the largest financial allocations. Currently, around 80 per cent of its disbursements in Bangladesh go to the Bangladesh Rural Advancement Committee (BRAC) and Proshika Kendra. Novib is the leading partner in the donor consortium for BRAC and currently chairs a similar platform

for PK. It currently supports 14 partners in Bangladesh and will add one more by the year 2000.

Novib's sectoral focus has shifted away from health. Nowadays the main areas of assistance are:

- integrated rural development (BRAC, Proshika, CDA, Prodipan, Uddipan and Banchte Shekha), including savings/credit groups and non-formal education;
- health care, nowadays of marginal importance in the total package;
- relief and rehabilitation, in response to the calamities regularly suffered by the country;
- institutional development, based on a concern for sustainability of the implementing agencies and of the local target group organisations (concentrating on financial management, planning, monitoring and evaluation systems and positive action for female staff);
- gender and development;
- sustainable land use;
- human rights;
- communication and media;
- food and nutrition;
- urban poverty, a target area of growing importance.

In general categories, the present policy is to designate 60 per cent of available funds for poverty alleviation, 30 per cent for efforts to develop 'civil society' and the institutional capacity of NGOs, with the remaining 10 per cent used to support organisations active in advocacy and lobbying on development issues and human rights. Within these disbursement targets, between 50 per cent and 70 per cent of funds will contribute to the empowerment of women.

In recent years, Novib's policy has been to concentrate on a small number of NGOs, in order to promote more intensive cooperation in terms of content and to make administration more cost effective. In some cases, contacts with smaller NGOs are facilitated through the two Novib big NGO partners.

In addition to its NGO partners in Bangladesh (which currently number 14), Novib has given substantial support to the umbrella organisation ADAB (Association of Development Agencies in Bangladesh), through which the NGOs seek to promote their common interests and cooperate professionally. Novib has also facilitated the participation of Bangladeshi NGOs in North-South Dialogue, the Social Watch Initiative, in actions concerning the Flood Action Plan (with ICCO), meetings with the World Bank, DGIS and the Dutch parliament.

In 1992 Novib launched its first long-term country policy document on Bangladesh, intended to form the basis of its cooperation programme in this country for the years until 1997. The document indicates the main objectives of the Novib policy, including the priority sectors on which attention and efforts will be focused.

One of the elements in the policy is support for the establishment of an autonomous consultancy bureau (the Nova Consultancy) in Dhaka, which provides advice and evaluation services for Novib and its partners. Among the tasks of this bureau are:

- support for the implementation of Novib’s policy document;
- identification of new projects and partners;
- assisting local organisations in implementation, reporting and technical skills;
- managing the New Initiatives Project Fund for small innovative NGO projects;
- managing the South–South Exchange programme, under which NGO staff from other developing countries familiarise themselves with the IRDPs of BRAC and Proshika.

Although Nova is currently fully occupied with work for Novib, it is intended that it will later serve other clients in its role as an independent limited Company.

6.1.3 ICCO

At the beginning of the seventies, much Dutch Protestant missionary and welfare assistance to relief operations was channelled to Bangladesh through the international network of church organisations. ICCO was one member of this network and from 1975 onwards it started funding development programmes in the country. Initially these focused on agricultural production and health care. Its major partner was and remains the Christian Commission for Development in Bangladesh (CCDB).

In its programme in Bangladesh, ICCO has worked closely with church-related partners in the Netherlands, England and Germany. At present only about half of ICCO’s partners are Christian-based, although they receive the bulk of its funding (at least 70 per cent). ICCO’s policy is to maintain the number of its counterparts at around 20.

Early programmes supported by ICCO focused on agriculture and health care. Around 1980, ICCO and its partners in Bangladesh recognised the need to embark on more integrated approaches to development. In this respect the evolution of objectives and strategies has been very similar to the processes of change in the NGO sector as a whole in Bangladesh. Intervention strategies shifted from ‘community development’ to target group approaches. These focused on an integrated set of issues, including group organisation, training and informal education, income generation, saving and credit systems, awareness raising programmes and promoting women’s interests.

Over the years ICCO and its partners have further specified their priority target groups, notably the landless, women, tribal minorities and poor people in areas of marginal land (*char land*).

Traditionally, the relationship between ICCO and its partners in Bangladesh encompasses more than strictly development issues. The historical church-institutional linkages are still an important element in the evolution of cooperation programmes, although this has not kept ICCO from establishing substantial cooperation programmes with secular development organisations.

Activities related to lobbying, advocacy for human rights, promoting institutions of civil society, communication and information on North–South issues are considered important components of the relationship with the partners. A recent example is the support given to documenting and facilitating the international dialogue on the Flood Action Plan.

Policy formulation in ICCO is a continuing process which is regularly punctuated by country policy notes or statements, which are extensively debated in the Netherlands, as well as in Bangladesh. In the preamble to the 1988 policy document for South Asia, the basic principles are explicitly related to values seen as emanating from the organisation's religious background. The mission of ICCO is formulated as serving its partners overseas to help them in their struggle for justice and the welfare of the poor and oppressed.

In a more recent draft country policy document (1996) the same mission is translated into more secular terms and approaches, emphasising the strengthening of organisations at the ground level, awareness raising and socio-political empowerment. The policy states that special attention will be paid to gender issues, environmental aspects, human rights and the development of civil society.

6.1.4 *The Royal Netherlands Embassy*

In recent years, the Netherlands has funded a substantial number of NGO-activities through the Royal Netherlands Embassy. Sectors in which support has been offered are:

- credit and income generation;
- research;
- health;
- agriculture;
- education;
- institutional support for NGOs in the water sector.

These are in addition to activities which have already run for many years, namely the Small Embassy Fund, the Local Women's Fund and project-related contracts to NGOs.

Historically, most cooperation with NGOs has been handled through the Women and Development specialist and there have been some substantial programmes, particularly with regard to the health of women and children. However, most funding has until recently been on a small scale and on a 'one-off' basis. On occasions, the RNE has asked a CFA if it could continue funding an NGO programme regarded as successful. More recently, support to NGOs, on a more substantial scale, has been managed by sector specialists in Small-Scale Enterprises and Women and Development, (with some contract work by NGOs in support of projects under the sector specialist in the Water Sector). The major assistance to the BRAC programme in non-formal primary education is managed by a non-sectoral First Secretary.

6.2 Policies guiding relations with Bangladesh partners

6.2.1 Policies of the CFAs

CFA policies are designed to ensure continuing governmental and public support for their activities in the Netherlands as well as to indicate to potential and actual NGO partners what type of activities are likely to be supported.

The GOM Country Study (p. 52) indicates the difficulty in interpreting CFA policy documents. CFAs are financially largely dependent on DGIS and their formal public statements therefore reflect GON priorities, which may or may not agree with their own understanding of the priority needs in a specific country. The GOM study therefore proposes that the activities of partner NGOs give a better indication of the CFA's real priorities for (in this case) Bangladesh. This situation is complicated by the fact that CFAs are tending towards long-term partnerships with a limited number of NGOs, which themselves have strong development priorities and philosophies.

As seen from Section 6.1 above, the three main CFAs operating in Bangladesh have broadly similar policy priorities and manners of working. Key features include:

- 'structural poverty alleviation' as the core of their programmes;
- empowerment of the poor;
- protecting the environment;
- human rights;
- improving the position of women;
- assisting minorities;
- provision of education and other social services;
- importance of developing income-generating opportunities.

A major strategy to address these issues is the implementation of integrated rural development programmes. A common underlying approach is the development of long-term partnerships with a limited number of NGOs, through the means of programme financing and, even more comprehensively, institutional financing. Project financing is now largely seen as a way of trying out new partnerships which have the possibility of leading to a long-term relationship of partnership.

Some differences do emerge between the three CFAs in terms of the balance between different activities and their means of attaining their objectives. The GOM country study notes that:

- Novib has a stated intention to finance some projects for the urban poor;
- ICCO and Cebemo have traditionally had ‘disproportionately large’ links with church-related organisations, which only recently show substantial change;
- Novib and ICCO have clear policies to support medium- and large-scale projects, while Cebemo has not yet emphasised this so clearly;
- the three CFAs have mainly discrete networks of contacts and partner organisations in Bangladesh.

CFA policy perspectives must balance the policies and objectives of the NGOs with which they work with their contractual obligations under the Co-Financing Programme. Thus ICCO began its association with Christian NGOs working in emergency aid, moved through a phase of development-related assistance concentrating on service provision, into group formation and mobilisation. During this history, the range of partners broadened to include non-Christian bodies (which now constitute half of the organisations working with ICCO). ICCO’s selection criteria concentrate on organisations involved in group formation and mobilisation and which are medium or large. ICCO has a preference for programmes intending to produce village groups likely to become independent of the NGO forming them and which will later be able to help other local organisations to form and grow. The CFA has not yet been able to apply this criterion in the general absence of such a trend at field level. This is regarded as an area of concern by ICCO.

Novib concentrates on two large NGOs, BRAC and Proshika, which together account for 80 per cent of its Bangladesh budget. In both cases, this financing takes place within donor consortia and is mainly expended on integrated rural development programmes. Novib shows some signs of intending to alter the balance to feature more work on some of its own policy priorities such as human rights, women in development and the environment.

Cebemo interprets its financing as playing an important role in strengthening democracy and human rights. NGOs fill in gaps left by the insufficient coverage of government agencies in providing services for the rural poor, but also make their clients aware of their

rights to access government services, thereby placing pressure for these to be improved. Cebemo receives so many applications that it receives assistance from the Training, Evaluation and Research Cell (TERC) of Caritas Bangladesh in the preliminary vetting of enquiries from small NGOs. Cebemo feels that donor consortia reduce the freedom of action of the CFAs and takes part in only one such forum.

Some broad trends emerge in the relationships between CFAs and their partners. Those identified in the GOM Country Study (pp. 56–58) include:

- All three CFAs have gradually changed their partner groups. ICCO has moved towards more support for conscientization and mobilisation than previously and has broadened its partners to include a substantial body of organisations without a religious base. This has brought in two large new partners, both with a strong ideological programme component, Nijera Kori and GSS. These have a major concentration on group formation as part of preparations to challenge the rural power structure, and have criticised the approach of many other NGOs for devoting too much attention to credit provision.
- There is a clear trend towards support for large NGOs. Novib has made this an explicit policy move, ICCO sees the trend as raising the professional level of NGOs with whom they deal, while Cebemo sees it as an unavoidable trend.
- Since they are working with the larger NGOs, the CFAs are now participating in donor consortia which may include bilateral and even multilateral donors, which gives them the opportunity of increased influence in the wider donor community. On the other hand, such involvement may make them less easy to distinguish from other types of donors, including the bilaterals.

6.2.2 Policies of the RNE

Until the recently-implemented restructuring ('herijking') of the Ministry of Foreign Affairs, the RNE was responsible for the implementation of policies primarily formulated in the Hague. Since most cooperation between the Ministry and NGOs was conducted via the CFAs (whether through the Co-Financing Programme or through other funding channels), it appears that no explicit policies exist which might guide the activities of the Embassy in this area. The RNE has recently drafted a 'Dhaka Paper', intended to contribute to the formulation of a new country policy plan. No explicit policy towards NGOs is evident in this paper. The evaluation study team held discussions with Embassy staff concerning their approach towards NGOs. From these discussions, it emerged that the RNE is particularly interested in accepting responsibility for management of future phases of large-scale NGO programmes, including those which have so far been within the portfolio of CFAs.

6.3 Financing of NGO programmes

6.3.1 Aid categories

Netherlands aid to NGOs in Bangladesh is available through several channels. 'Category I' aid comes under the heading 'Special Programmes', whilst 'Category II' aid covers 'Country Programmes' which are primarily implemented on an inter-Governmental basis. To a substantial degree, these funds were used to support the BRAC Non-Formal Primary Education (NFPE) project. This was agreed on the basis of the inability of GOB's primary education system to meet the national need, BRAC's good performance to date and the inadequacy of the sector funds to cater for such a large project. It should be noted that BRAC received this money from GON via the Royal Netherlands Embassy, without the involvement of its normal Dutch partner organisation, Novib.

In 1995, Category II funds underwent a major change with the abolition of sector funds. This funding category is therefore in principle open to competition between Government and NGOs. However, it is unlikely that GOB will allow unrestricted competition, given the importance of overseas development assistance to its budget.

'Category III' financing is 'Development financing for international organisations' and 'Category IV' funds are used for the 'Co-financing of programmes of private organisations and SNV'. In the case of Bangladesh, these are channelled through Cebemo, ICCO and Novib.

CFAs may use 7.5 per cent of the funds they disburse to cover their own administrative costs. Since one large project is much cheaper to administer than ten small projects with the same total value, there is a financial benefit in moving towards a small number of large projects from a limited number of NGOs. This is occurring. At the same time, GON is no longer willing to consider very small projects (except specifically from the RNE Small Fund), because of their relatively high transaction costs. Thus, small NGOs, particularly those located outside of areas within easy reach of Dhaka, face increasing difficulties in obtaining Netherlands funding.

6.3.2 Funding through CFAs

A more detailed breakdown of the expenditure of the CFAs in Bangladesh since 1972 is presented in Tables 6.1–3. It can be seen that, over time, all three CFAs have broadened the base of their funding from DGIS sources (Table 6.4). Novib, in particular, has accessed substantial amounts of Category I and II funds to support its largest partners, BRAC and Proshika Kendra.

Table 6.1 Disbursements of Cebemo to Bangladeshi NGOs in the period 1972–96
(Dfl. million, CFP and bilateral)

	1972–76	1977–81	1982–86	1987–91	1992–96	Total
Caritas	0	0.4	2.5	4.5	3.7	11.1
ASA	0	0	0.1	2.1	2.5	4.7
CORR	2.5	0.8	0	0	0	3.3
Kumudini	0	0.7	0	0.2	1.9	2.8
CCULB	0	0	0	0.4	0.5	0.9
Maler Hat JS	0	0	0	0.2	0.3	0.5
UPAY	0	0	0.1	0.1	0.3	0.5
CCHRB	0	0	0	0.1	0.3	0.4
Others	1.9	0	0	0.5	11.6	14.0
Total	4.4	1.9	2.7	8.1	21.1	38.2

From Table 6.1 it can be seen that Cebemo disbursed small amounts, mainly via Catholic church-related organisations, until the late 1970s. In 1980, Caritas became a partner. In 1984, Cebemo made Dfl. 1.2 million available to Caritas, divided over a three year period. Other large allocations were made to Caritas in 1987 (Dfl. 1.8 million), in 1991 (Dfl. 4.2 million) and in 1994 (Dfl. 3.8 million). In recent years, other organisations receiving substantial sums have been the Association for Social Advancement (ASA), Kumudini and CULLB. Since 1991, a number of smaller organisations have also been assisted, raising the overall amount of support provided by Cebemo to the sector.

Table 6.2 Disbursements of ICCO to Bangladeshi NGOs in the period 1972–96
(Dfl. million, CFP and bilateral)

	1972–76	1977–81	1982–86	1987–91	1992–96	Total
CCDB	0	0.8	2.0	4.8	5.4	13.0
CHCP	0	0	0.8	3.5	2.0	6.3
FIVDB	0	0.1	0.8	1.1	1.0	3.0
HEED	0.6	1.3	0.1	0.4	0.5	2.9
GUP	0	0	0.3	1.5	0.6	2.4
RDRS	0	0	0	0	2.0	2.0
BDS	0	0	0	0.3	0.6	0.9
Nijera Kori	0	0	0	0	0.7	0.7
Others	0.1	0.4	1.4	1.3	23.1	26.3
Total	0.7	2.6	5.4	12.9	35.9	57.5

ICCO (Table 6.2) also began its cooperation programme with church-based partners, with early contributions to the Christian Commission for Development in Bangladesh (CCDB) and a number of smaller bodies. In the 1980s, non-Christian organisations such as Friends in Village Development Bangladesh (FIVDB) were added to the group. In the 1990s, the amounts made available became larger and were on the basis of longer-term

programmes. The largest allocation was of Dfl. 5.4 million to CCDB in 1992, to cover a three year programme period, while the Rangpur Dinajpur Rural Service organisation (a new partner) received Dfl. 2.0 million for three years.

Table 6.3 Disbursements of Novib to Bangladeshi NGOs in the period 1972–96 (Dfl. million, CFP and bilateral)

	1972–76	1977–81	1982–86	1987–91	1992–96	Total
BRAC	0.1	3.7	13.1	28.2	32.6	77.7
GK/GPL	1.4	5.9	3.9	2.5	0	13.7
Proshika	0	0	0	1.3	7.8	9.1
CDL	0	0	0.1	2.5	5.1	7.7
UCEP	0.6	0.1	1.8	0.3	0	2.8
Dhammarajika	0	0	0.9	1.1	0	2.0
WIF	0	0	0	1.3	0.6	1.9
Others	0.1	0.5	0.4	2.5	18.3	21.8
Total	2.2	10.2	20.2	39.7	64.4	136.7

Novib has from an early stage worked on a large scale with Bangladeshi partner organisations. Up to 1991, it provided substantial support to Gonoshasthya Kendra (GK) for the development of an indigenous pharmaceutical provider. In 1978, this project received Dfl. 5.3 million from Novib. Other programmes included activities in the health sector and support for the Bangladesh Rural Advancement Committee (BRAC), including the establishment of a BRAC Printing Press. Major support was provided to BRAC in 1985 (Dfl. 8.5 million), 1989 (Dfl. 7.9 million) and 1993 (Dfl. 7 million), contributing towards the Rural Development Programme and the Rural Credit Programme. Novib’s other major partner has been Proshika Kendra, which received Dfl. 8.9 million in 1991 (of which Dfl. 5 million came from Category 2A funds) and Dfl. 16 million was committed in 1994 (of which Dfl. 12 million from Category 2A). Proshika works only on the basis of Five Year Programmes and its donor consortium (of which Novib is a member) therefore provides funds on this basis. Apart from GK, which is no longer supported, only BRAC and Proshika receive substantial amounts of funds. Indeed, it is Novib policy to concentrate on a few larger partners in order to achieve a noticeable impact on policy development and poverty alleviation.

Table 6.4 shows the major (and some smaller) programmes supported by the CFAs at the time of the study (or then at the closing down stage).

Table 6.4 Major and some smaller programmes supported by the co-financing agencies at the time of the study

CFA	Programmes supported
<i>Cebemo</i> Large programmes	<ul style="list-style-type: none"> – Caritas Bangladesh* (Development Extension Education and Services) 1994–7, Dfl. 3.8 mln – ASA* (Poverty Alleviation for Rural Women) 1993–6, Dfl. 1.6 mln – Cooperative Credit Union (Credit Union Promotion) 1994–7, Dfl. 1 mln – Dhaka Ahsania Mission (Basic and Continuing Education) 1995–8, Dfl. 1.2 mln
Smaller programmes	<ul style="list-style-type: none"> – United Progress for Agricultural Yield – Technical Assistance for Rural Development – Coordinating Council for Human Rights – Malerhat Jubo Shangha – Unnayan Sangha – Resource Integration Centre – Baniarchal Agricultural and Fishing Society – Shaw Unnayan* – Desh Unnayan Samay – Local Initiative for Emancipation – Human Development Service Society – Society for Social Service* – Institute for Democratic Rights. – Baitul Aman Trust*
<i>ICCO</i> Large programmes	<ul style="list-style-type: none"> – CCDB* (People’s Participatory Rural Development Programme) 1992–5, Dfl. 5.5 mln – Community Health Care Project, 1994–7, Dfl. 1.6 mln – Gono Shahaigo Sangsta (Construction of Training Centres) 1994–7, Dfl. 1.5 mln – FIVDB (Village Development Training Programme) 1995, Dfl. 0.6 mln – RDRS* (Integrated Rural Development Programme) 1995, Dfl. 0.4 mln – RDRS (Roadside Tree Plantation Programme) DGIS direct funding 1995–2000, Dfl. 2.9 mln – Health, Education and Economic Development (Dacope Participatory Development Programme) 1992–5, Dfl. 0.5 mln – SNSP (Integrated Rural Development Programme) 1993–6, Dfl. 0.48 mln.
Smaller programmes	<ul style="list-style-type: none"> – Nari Progoti Sangha – Church of Bangladesh – Nijera Kori* – Uttaran – Bangladesh Northern Evangelic Church – Assistance for Slum Dwellers – Barisal Development Society (now called Bangladesh Development Society)*

(Table 6.4 continued)

CFA	Programmes supported
<i>Novib</i> Large programmes	<ul style="list-style-type: none"> – BRAC* (Rural Development Programme—III) 1993–5, Dfl. 24.5 mln – Proshika Kendra* (Five Year Development Programme) 1994–9, Dfl. 16 mln – Helen Keller International (Vitamin A Consumption Project) 1994–7, Dfl. 1 mln – Community Development Association* (Integrated Rural Development Programme) 1993–6, Dfl. 0.6 mln
Smaller programmes	<ul style="list-style-type: none"> – Uddipan – Association of Development Agencies in Bangladesh (ADAB) – Community Development Library – Prodipan – Ain o Salish Kendra – Banchte Shekha – Bangladesh Environmental Lawyers Association – Nari Uddug Kendra – Bangladesh Rural Reconstruction Association.

RNE	Programmes supported
Large programmes	<ul style="list-style-type: none"> – BRAC Non-Formal Primary Education Phase Two, Dfl. 21.0 mln (subject to final approval) – BRAC Non-Formal Primary Education Phase One, Dfl. 12.5 mln – Grameen Trust Research on Poverty Alleviation, Dfl. 6.0 mln – Bogra Rural Development Programme (BEES), Dfl. 4.6 mln – GSS Social Mobilisation, Dfl. 4.5 mln – Shakti Urban Credit Project, Dfl. 4.4 mln* – CARE Chittagong Homestead Agroforestry, Dfl. 3.6 mln – ICDDRB Core Financing, Dfl. 2.4 mln – CARE Women’s Development Project, Dfl. 2.1 mln – ICDDRB Safe Motherhood Project, Dfl. 1.7 mln – RDRS Legal Education for Women, Dfl. 1.7 mln – Ayesha Abed Income-generation Project, Dfl. 0.6 mln
Smaller programmes	<ul style="list-style-type: none"> – Ubinig Handloom Project* – Centre for Policy Dialogue – Small Embassy Fund – Local Women’s Fund – Sheba* (one example of participating organisations) – Contracting of NGOs for Project Components

*Those organisations started participated in the fieldwork evaluation phase of the IOB study.



Skill training is highly valued by group members (Photo by Sean Sprague/Linear)

6.4 Overview of Netherlands' funding of NGOs

Table 6.5 gives an overview of the Netherlands' aid flows to Bangladeshi NGOs in the period 1972–96 (in Dfl. Million). These figures exclude emergency aid.

Netherlands CFAs have substantially increased their flow of Co-Financing Programme (CFP) resources to Bangladeshi NGOs since 1992. ICCO and Cebemo have done so more than Novib, which started at a higher point. Channelling of bilateral funds through CFAs gained substantial momentum after 1987, mostly through Novib, whilst direct funding of NGOs, without CFA involvement, increased substantially after 1992 (and particularly after 1994). In the period 1992 to 1996, the total flow of Netherlands' funding to NGOs, as well as the proportion of assistance to NGOs in the overall country programme, more than doubled as compared with the previous period. The expenditure of CFP funds of the three CFAs operating in Bangladesh, as a proportion of their own total programme, rose from between 10 and 15 per cent in the 1970s to more than 20 per cent in the mid-1990s.

Table 6.5 Netherlands support to Bangladeshi NGOs in the period 1972–96 (Dfl. million)

Source	1972–76	1977–81	1982–86	1987–91	1992–96	Total
Co-Financing Programme:						
Novib	2.2	10.0	19.4	16.6	33.9	82.1
Cebemo	2.0	1.2	2.7	6.1	21.1	33.1
ICCO	0.7	2.6	5.4	7.0	33.7	49.4
Bilateral through CFAs:						
Novib	0	0.2	0.8	23.1	30.5	54.6
Cebemo	2.4	0.7	0	2.0	0	5.1
ICCO	0	0	0	5.9	2.2	8.1
Bilateral to NGOs:						
BRAC	0	0	0	0	17.5	17.5
Care	0	0	0.2	1.9	1.1	3.2
SOH/ASA	0	0.1	0	1.9	2.5	4.5
Others	0	0.8	0.7	3.6	2.4	7.5
Total	7.3	15.6	29.2	68.1	144.9	265.1
As percentage of total aid	6%	3%	4%	10%	24%	10%

Source: Ministry of Foreign Affairs data base.

6.5 Selection of NGOs for participation in fieldwork

NGOs were selected for participation in the fieldwork stage on the basis of the scale of support they received from the Netherlands, size of the organisation and their distribution through the four regions of the country. They were classified as big if they had more than 50,000 members, medium (10,000 to 50,000) or small (less than 10,000). Big NGOs participating in the study were ASA, BRAC, Caritas, CCDB, Nijera Kori, Proshika and RDRS. Medium NGOs were Shakti Foundation, the Society for Social Services and CDA. Small NGOs were the Baitul Aman Trust, BDS, Shaw Unnayan, Sheba and Ubinig (legally a non-profit company).

7 Case studies of NGO partners of Cebemo (Bilance)

Introduction

As a major component of the evaluation of the Netherlands assistance for poverty alleviation, a fieldwork assessment, based on case studies, was made of the activities of 15 NGOs participating in it, as partners of CFAs or of the RNE. Case studies of partners of Cebemo (now Bilance) are described in this Chapter. The NGOs studied were the Association for Social Advancement, Baitul Aman Trust, Caritas Bangladesh, Shaw Unnayan and the Society for Social Service.

7.1 Association for social advancement (ASA)

7.1.1 Background

ASA was founded later than the first wave of NGOs which operated during and immediately after the Independence struggle. It was set up in 1978 by a group of development workers formerly with BRAC, CCDB and Government. It aimed to mobilise the poor to form grass-roots organisations which could become involved in the development process and eventually challenge the unequal rural social order. Since then, it has passed through three major phases (see 'ASA in Transition', 1994).

Foundation phase

For seven years, ASA operated in its Foundation Phase (1978–84), which concentrated on building and strengthening peoples' organisations among the rural poor. The major streams of the Foundation Phase Programme were:

- conscientization for social action;
- awareness building of legal rights, supported by legal aid;
- training for organisational and occupational skills;
- communication support service programme;
- training of rural journalists.

During this period ASA developed 4,000 groups with 50,000 members in 27 thanas. One of the most important results of this phase and an indication of achievement for ASA was the rise in social actions taken by member groups in the following areas:

- asserting rights to land;
- fighting injustices and gaining access to institutional resources;
- protecting legal rights and challenging the rural elite;
- obtaining just wages for their work.;
- participating in local government processes.

ASA assessed the achievements of this phase. It found them to be very positive, but to have suffered from substantial limitations, notably the following:

- Because of their poverty, the groups could not retain possession of assets such as khas land and ponds obtained from Government, once members of the elite applied pressure within the legal and political system.
- Once group members had successfully bargained for higher wages, the elite banded together and fought back using such measures as the importation of cheap migrant labour.
- The frequent natural calamities disrupted development activities of groups and the huge inflow of emergency aid through Government and other NGOs built up a relief mentality which militated against long-term solutions dependent on group solidarity.
- Because of their weak financial base, group members in the long term gave preference to income-generating activities over broader actions intended to change the social structure.
- The absence of clear cut rules from Government concerning NGO activities fostered an atmosphere of mistrust and enabled harassment of fieldworkers.
- The idea of apex organisations, built up from and representing groups of the poor could not be sustained. Being poor, participants entered these bodies with the expectation of personal gain and lost interest when this was not realised. Furthermore, the rural elite were suspicious of such bodies and became more hostile towards all NGO activities because of them.

In the light of its analysis of the achievements and constraints of its first phase, ASA adopted a revised approach.

The reformative phase

The reformative phase lasted from 1985 to 1991. It had the following components:

- development education for empowerment programme;
- credit programme for income generation;
- mini-irrigation programme for landless and marginal farmers;

- women's development programme;
- health programme, including primary health care, nutrition and Traditional Birth Attendant training;
- human development training;
- post disaster management programme.

Again, ASA felt that this phase had a major positive impact in rural areas. Basic literacy and numeracy obtained by members raised their enthusiasm to participate in group activities. The income-generating programme helped raise productivity and income in both agricultural and non-agricultural fields, women were brought into the household economy and thereby gained status, irrigation pumps enabled higher productivity or could be used as a source of income, through participating in groups women became more self-confident and aware of social issues, health and nutritional practices improved and members in general became more willing to participate in development processes.

Against these successes, ASA again assessed the constraints which were affecting its programme. ASA decided that its achievements had been impaired by three factors, namely:

- many ASA members left the organisation to join Grameen Bank or other NGOs because ASA could not meet their needs for credit for income-generation purposes;
- the development and implementation of integrated development programmes takes a long time for the preparation of group members, who in the meantime must wait (sometimes for years) to obtain credit, which they themselves identify as their critical need;
- within groups, credit distribution had often proved unequal, with a few members getting large amounts while others got nothing.

In response to this self-assessment, ASA moved into its current phase.

Programme specialisation phase: savings and credit for income generation

This phase began in 1992 and is still running. Main elements of the approach are:

- Savings and credit for income generation in a cost-effective manner. Members are encouraged to save regularly and the accumulated savings are used for loans among members. Within three to five months of joining a group all members are entitled to credit, the costs of which are borne by a service charge.
- Institution building at the grass-root level through development education. Groups are seen as a more effective means of credit distribution because they reduce the administrative cost of lending, members learn from each other in the use of savings and credit, and loan defaulters can be placed under group pressure, thus protecting the long-term viability of the credit funds.

- Creation of alternative leadership in rural society. Groups elect chairpersons, group secretaries and treasurers. Through training and practice these people acquire skills which create a new and alternative leadership base within societies hitherto dominated by a few members of the elite.

ASA and women

‘In 1990 ASA changed the composition of its samities (groups) from men to women, often by the simple expedient of dissolving men’s samities and setting up new ones with their wives Some staff mention DANIDA’ s role in this move, since work with women was a condition of DANIDA’ s large-scale support for ASA Others report that the shift grew entirely out of ASA’s experience. The two views are not necessarily contradictory, since two other factors lie behind both—the overall tilt towards women represented by the ‘Women in Development’ approach popular with donors in the 1980s and the widespread publicity given to the remarkable success that Grameen Bank (in particular) was experiencing with credit for women’ (Rutherford 1995, p. 88).

This change was pursued with great vigour and by November 1995 ASA groups contained 376,801 women and 2,003 men (IOB Study questionnaire). This change was not reflected in ASA’s staffing. Out of 86 Head and Regional Office staff, only 9 were females. Out of 2,659 field staff, 860 were women.

7.1.2 *The savings and credit programme (poverty alleviation for grassroots women)*

Development strategy

Selection of areas is undertaken on the basis of government and ASA data showing areas with low literacy rates and concentrations of poor people. Institution building is undertaken through the formation of groups, each comprising 20 poor women, with 60 such groups forming one administrative unit. Members save Tk 5 per week as ‘thrift deposit’, and attend weekly development education meetings. Financial discipline is ensured through a standard credit repayment regime. Repayment is made in 46 instalments, which include a 15 per cent service charge. Members savings are encouraged and utilised for credit purposes. All members get credit within 3 to 5 months, with a current minimum of Tk 2,000, rising in successive loans to a maximum of Tk 6,000. Management is decentralised, with all credit-related decisions taken at the unit level. The Unit Officer has a clear guide book to prevent errors.

Management structure

ASA has a central office located in Dhaka, accommodating the Chief Executive, four coordinators, seven associate coordinators and 40 staff. Below this are unit offices, which manage field-level activities such as group formation, development education, training, savings, loan disbursement and repayments. A unit office coordinates (in principle) 60 groups containing 1,200 members. Each unit office has six staff, comprising the Unit Officer (UO) four COs (Community Organisers) and 1 'peon' (general worker).

COs are responsible for all field-level activities, supervised by the UO. Bank accounts are operated by any two of the COs, UO or RC (Regional Coordinator). For ten to fifteen units there is a Regional Coordinator. He has no separate office or staff and is located in a convenient office to travel his region. For each two RCs one member of central-level staff is assigned to supervise and assist. The central internal audit section regularly audits unit office and group accounts.

Donors

ASA has a variety of funding sources for its Savings and Credit Programme. According to its 1994 Annual Report, its activities were funded by its Partners Group of donors in 27 thanas, by DANIDA in 11 thanas, by a loan from PKSF (Palli Karma Sahayek Foundation, a Government facility offering loans to NGOs) in 14 thanas, and from its own resources in 35 thanas.

The ASA Partners' Forum consists of Cebemo, DIA Netherlands, HEKS Switzerland and Misereor Germany. The Forum meets together with ASA on an approximately annual basis and discusses progress, makes financial commitments or proposals, and gives feedback to ASA on the partners' views of its achievements. In 1991, partners proposed that ASA should set up indicators for the evaluation of its programme. In 1993, the indicators were agreed and the evaluation was undertaken in 1994. Its findings are reported later in this case study.

Cebemo began supporting ASA in 1984, with a contribution of around Dfl. 300,000. This has steadily risen to a contribution of nearly Dfl. 2.8 million for the period 1996/7. During the course of this cooperation, Cebemo has supported a number of evaluations, including that undertaken in 1994.

Although ASA is moving towards a financially self-sustaining programme, it still regards the donors of its Partners' Forum as very important, since the funding they provide enables it to start up credit programmes in areas where it expects to take some years to cover its

operating costs. These include cyclone prone and thinly-populated areas such as 'char lands' (areas which have been newly formed from soil deposition by rivers). Compared with bilateral donors and banks, ASA also sees CFAs as making a special contribution, by enabling it to share the experiences of NGOs in other countries, by providing flexible and relevant training opportunities and by engaging in open discussion over problems encountered during implementation.

ASA began negotiations with Cebemo/Vastenaktie (now combined to form Bilance) in 1995 to obtain further funding for its programme. Apparently the amount originally suggested by the NGO was substantially more than could be met from CFA or DGIS resources, or which would be acceptable to the Dutch Government. Correspondence files suggest that, whether by accident or design, the RNE in Dhaka indicated that ASA might also submit a new proposal directly to it for consideration. Cebemo was informed of this offer by ASA and indicated that the original proposal was still awaiting approval, which was expected early in 1996. Naturally, Cebemo indicated its preference for funding to be channelled through the established route rather than directly via the Embassy. Cebemo indicated that it would (dependent on DGIS approval) in principle be willing to offer the equivalent of Dfl. 2.85 million guilders to ASA during the period 1996/7. This sum was later approved for the ASA programme in Cox's Bazaar, Sylhet and Barisal areas.

ASA's budget for 1996 was around Tk 1 billion, of which 12 per cent would come from its own funding, 51 per cent from other national sources including members savings, and 37 per cent from international funding. Of the international funding, some 20 per cent was from Dutch sources, totalling approximately Tk 80 million. With these total resources, ASA expects to reach 33,000 groups, with a total membership of 660,000. Negotiations are also underway to obtain a World Bank loan, which would enable a further 12,000 groups to be formed.

7.1.3 Findings of the IOB evaluation case study

Area studied

For field study Habiganj Sadar, one of the 12 unit offices of Habiganj district was selected. This unit office is one of those in which ASA started its operation as far back as 1980. Most of the groups in this area were formed in the 1980s when ASA's goal was to achieve social transformation through conscientization and mobilisation of the rural poor. Credit at that time did not feature at all within the ASA development process. Following a policy shift in the early 1990s, ASA introduced a credit programme to these groups, but not all of the groups or clients were capable of handling such activities. Within a few months of

starting the credit programme there was a high percentage of defaulters. Since then ASA has undertaken a major reorganisation in Habiganj Sadar. Members who defaulted in repaying loans were removed from groups. Many groups were merged and new members were inducted. A major outcome of this process was that almost all the male groups were dismantled. As a result currently almost all ASA clients in Habiganj Sadar are women. In November, 1995, two unit offices were merged into one and surplus staff were transferred to other unit offices.

At present, there are 66 groups under Habiganj Sadar, serving 1,166 clients, only five of whom are male. The total savings of these groups as at July 1966 stood at Tk 1,090,528. The total amount of credit (cumulative) disbursed among these clients was Tk 20,537,607. The loan recovery rate of the unit is said to be 97 per cent.

Aims and objectives of the programme

- Programme activities

The Habiganj Sadar thana unit seems to be typical of this level of ASA's operation. It has six staff members: one unit manager, four community organisers (CO) and one messenger cum cook. Each CO looks after about 16 groups. Each day a CO visits 2 or 3 groups. COs begin their group visits at 6:30 in the morning. By mid-day they finish their group meetings and loan recovery work, fill in the relevant forms and hand over the money to the Unit Manager. The Unit Manager deposits the daily balance in the bank. Credit is disbursed annually to individual members from the Unit office.

At the end of the week each CO prepares a weekly balance sheet based on the daily reporting sheets. The Unit Manager compiles all the weekly balance sheets and fortnightly records and sends them to Regional Coordinator. He compiles reports of all the unit offices under his region and sends these to the central office. On the basis of regional reports the Head Office prepares a monthly Management Information System report and sends this back to the Unit offices. Each Unit office has a copy of the ASA manual in which the job description of each worker is clearly stated. The Unit office is regularly monitored by a bi-monthly visit from the Regional Coordinator or head office staff. The Regional Coordinator does not have a separate office but is based in a well located Unit office, from which he spends much time travelling. It was found that ASA has a very efficient management system.

- Beneficiary groups and organisation

ASA's operational procedure is very simple. The COs initiate a series of discussions with potential group members about the purpose of forming the group, organisational goals

and discipline, the importance of savings, proper utilization of credit and the need for regular repayment of loan instalments. Once the series of meetings is complete, the group is formed and its credit and savings programme can begin. The groups are not involved in any other activity.

ASA COs operate according to a weekly work plan. Eight groups were randomly selected from the weekly work plans for field study, covering two groups of each CO.

On the basis of the field study it appears that most of the ASA groups in Habiganj Sadar are reorganised groups. Some members of these have been associated with ASA for more than ten years. One group studied, for example, was first formed in 1984. It had forty members then. ASA at that time did not pursue any credit programme. Every week members used to gather and the CO delivered a lecture on how to bring about positive social changes in favour of the poor. Not surprisingly, after one or two years these groups became inactive. In February 1992 the group was revitalised through the induction of several new members.

The membership size of these eight groups varied between 18 and 20. All of the groups have had some dropouts, but their positions were filled by new members. A feature of ASA procedures is that new members must contribute to the group savings the same amount that has already been saved by the other members of the group. Thus, all members have an identical amount of savings invested. Weekly meetings are the predominant form of group activity. These meetings are held in group leaders' houses. Once all the members are assembled, the CO starts the meeting through an exchange of greetings and noting who is present. Issue-based discussions are occasionally held, on such topics as immunisation, tree planting, preventive health care measures, discipline and leadership. The weekly savings are collected, repayments of loan instalments are gathered and then the group meeting ends. It was observed that almost all group members participated in the discussion. Nevertheless, one or two members were found to predominate in most of the meetings. If given the opportunity, over half of the members expressed their viewpoints on the issues discussed. Four types of record are kept at group level. These are the resolution book, savings, bank cheque book and individual pass books.

In the resolution book, a record of every group meeting is maintained. Minutes of the meetings are taken by the CO and all the members present sign the minutes. It was found from the resolution book that on average 75–80 per cent of members are present in any group meeting. Explanations are provided for the absence of some members. These are noted in the resolution book. In most cases the absentee members send their weekly subscriptions along with their pass books with another member attending the meeting. Occasionally, the CO also collects the money from the absentee members' houses.

From the resolution book it appears that group discussions mainly focus on the importance of group savings, regular repayment of loans and other topics directly associated with group finance. Issue-based discussions were only mentioned in one group's resolution book. By calculating the number of members, years of operation and amount of individual savings, it was found that groups' savings have been regular.

Benefits received by members

- Credit

The ASA model is geared toward recovery of the cost of operation from its clients through charging interest. Therefore, ASA's target is to bring all of its group members under the credit operation. All ASA clients have equal access to credit. Members of all the groups visited have taken loans more than four times. The maximum amount which has been disbursed to individual clients at one time was Tk 7000 and the minimum was Tk 3000. The credit recovery rate of two of the groups studied was 90 per cent and for the other six 100 per cent.

It is often thought (and also written in documents, including those published by ASA) that NGO credit in Bangladesh is collateral free, but a prerequisite for ASA membership applied at field level is that a potential client must have Tk 6000 worth of assets. It is ASA's view that even for poor people, the value of their homestead land, trees and small livestock reaches somewhere near this level, in which case they will be allowed to participate. People who have less assets than this (i.e., the 'hard core poor') often do not want credit, but prefer to undertake daily labouring, since this gives an immediate return. Others within this category begin by saving Tk 2 per week, gradually gain confidence and then begin to take credit for small income-generating activities.

Hypothetically, if a client fails to repay, her assets may be taken in lieu of the loan. (This is also true for the BRAC credit system). During individual interviews complaints were made about ASA seizing the assets of some members who had failed to repay their loan. ASA maintains that this is sometimes necessary, in order to ensure that members clearly understand that loans are not provided as welfare 'handouts', but must be repaid.

A specific type of problem was found with two groups. Not all of the members of these groups were interested in taking loans every year. The credit that was allocated for these members was then borrowed by other influential members. The person in whose name it was allocated agreed to this arrangement on condition that she would get a share of the profit. But in some instances, the person who utilised the loan not only declined to share the profit but also refused to service the loan. This meant that the loan liability fell on

the person in whose name the loan was disbursed. Naturally, this person was not willing to repay the loan she had not received. In such a situation the whole group suffers, since the CO refuses further loan disbursements until the entire group's debt is cleared. This means that those who have paid off their own loan and are entitled to new loans are in fact denied them because of other members who have defaulted. In some groups, this has created much tension among the members. It appeared on the basis of discussions and interviews that in such instances, the CO was often more concerned with reaching his target in loan disbursement than in tackling irregularities within the group. It was further found that COs tend to do little work to motivate group members against such irregular practices. Groups were left to sort out such problems themselves. As an extreme example, it was reported that one group in Umidnagar disintegrated due to this type of problem.

- Training

Under the Savings and Credit Programme, ASA does not provide any kind of formal training to its clients either on awareness building topics or on technical skills. These topics are sometimes addressed at group meetings. ASA believes that some members develop leadership skills through their long-term participation in its credit programme. Members are made aware of services available from Government or other providers and begin to use these. ASA regards many of the short-term programmes provided by other NGOs as ineffective, because they are of insufficient duration. It prefers to concentrate on its core activities.

Impacts of the programme studied

- Social impacts

For raising the awareness of its clients on social issues ASA does not offer any formal training, as do such NGOs as BRAC or CCDB. The only intervention in this regard is through discussions conducted by the COs during weekly group meetings. Women's issues such as protest against dowry, establishment of women's inheritance rights, mobilisation against arbitrary divorce and payment of alimony are also not on the ASA clients' agenda. The occasional issue-based discussions may cover such topics as the ill effects of dowry, need for women's education, preventive health care, benefits of hygienic sanitation and safe drinking water. Group members are also provided with information on nearby government health centres, veterinary clinics, seed centres and other facilities. Although relatively little time is set aside for these topics, ASA clients appear as articulate as those of other NGOs which spend much time and effort through formal training in disseminating such knowledge. It was observed that children who came with their mothers to the meetings were all immunised. Women stated that they mostly use hygienic latrines and

they get their poultry vaccinated at the nearby government centre. The clients reported that ASA workers did not help them in installing better latrines. These were locally available from other sources. ASA workers motivated them to use them. ASA clients are as visible and mobile as BRAC clients in their locality. Members of three groups particularly mentioned that they are aware of how to get government services such as medical help and low-cost saplings. Accessing these has now become easier because they have more information. One woman member described the process in these terms: 'earlier were we isolated and stayed in our own houses. Now we regularly sit together and discuss issues. It has given us the confidence and skill to express ourselves in an articulate way in front of others. Therefore, we can now go to various government and non-government bodies and ask for things without hesitation.'

Thus it can be seen that many of its clients perceive ASA as an effective agent in providing social as well as economic benefits at the individual level. But they do not feel that their organisation can also bring collective social benefit. For example these groups do not think that they can play a role in organising marriages without dowry or stopping arbitrary divorce. Some members live in polygamous households, in which case the wives are members of different groups. Fellow members sympathise with them, but do not interfere in their affairs, as they feel that they can do nothing to change the situation.

- Economic impacts

Most of its clients stated that ASA credit has had a positive impact on their lives. Using the credit, they have been able to increase their family income. Some clients mentioned that the economic survival of their family rested on the availability of ASA credit. When they were asked to describe the nature of economic change that has occurred in their lives, they stated that they can now afford adequate food for all members of the household. Earlier, there were times when not all of the family members could eat regularly. Clients indicated that income generated from ASA credit does not reach a level that could affect their land holding pattern or create major assets, but some have been able to improve their homes. Most of ASA clients live in mud houses with a thatched roof, but some have now replaced the thatched roof with tin, or otherwise renovated the old house. Some of the members stated that their dependence on money lenders has reduced over the years, related to improved access to credit through ASA.

When ASA clients were asked how they used their credit it was found that most of the female clients utilise only a small part of their credit themselves. So far, it is mostly their husbands or sons who use most of the money. Petty business, hoarding, fruit vending, trading in dried fish, sack sewing and running grocery stores are some of the major areas in which family members have used credit funds.

Women members mainly invest in poultry. As these ASA clients reside on the outskirts of Habiganj Sadar town, the size of their homestead land is very small and they have little open space available. Therefore, cattle rearing is not very common with ASA clients here. Female members feel that they need appropriate skill-centred training before they can invest the credit themselves. Otherwise, their family can generate more income from the credit if the male members use the money. Nevertheless, they feel that their respect in the family has increased because they now provide access to credit. Some members feel that their husbands would now think twice before divorcing or abusing them as their access to credit may be jeopardised in the process.

However, as well as positive examples of family use of credit, there are also bad aspects of male members taking control of the money received. A drop out member of an ASA group stated that she let her husband use the money borrowed. After a while he abandoned her with three children. She is still liable to pay back the loan and her group is pressuring her to do so, since otherwise none of them can get a further loan. She left the group but she knows that she is still liable to pay the money back. She felt under tremendous pressure, but had no means of meeting the obligation.

Assessment by the clients

ASA members value their organisation for providing them with continuous access to loans. They feel that their families have benefited substantially from such access. Members from all groups pointed out that they would also value skills training so that they could undertake new income-generating activities. They also suggested that ASA might develop linkages with garments industries and obtain work for them.

Clients also pointed out that ASA provides only one type of loan. They would prefer ASA to provide various types of loans with different interest rates, including 'soft' loans for purchasing tubewells, pit latrines or house construction. Clients mentioned that ASA has on occasion provided interest free loans during floods. They compared ASA with Grameen and BRAC, which are two other major operators in the area. They stated that these organisations provide different types of loan and that they too would like to have access to such services. The reason they like ASA is that they think its interest rate is lower than Grameen and BRAC. From the group meetings it appeared that clients in this area have become conscious about the quality of NGO services and increasingly show the ability to chose between available NGOs according to the aspects which they most value.

ASA is aware that it loses some of its best performing members to organisations able to provide higher loans. The organisation estimates that 15,000 members per month leave for

this reason. Others have multiple NGO membership ('overlapping'), which may become a problem when members with insufficient capacity take too much credit and are unable to repay.

Relationship with Government and with other NGOs

The three major NGOs said to be operating in Habiganj Sadar thana are ASA, BRAC and Grameen Bank. In many cases these NGOs are implementing their projects in the same villages and city outskirts. Grameen Bank does not consider itself as NGO, so it does not formally interact with the other NGOs as partners. There is also no formal coordination between BRAC and ASA. But the unit manager of ASA stated that every now and then he visits the office of the BRAC area manager and exchanges information on projects. Sometimes they also exchange membership lists so that, in principle, overlapping of clients will not take place. From the field studies it was clear that some clients are served both by BRAC and ASA, without the knowledge of the organisers of the two bodies. (This issue is discussed in BRAC case study). However, women interviewed who have dual membership stated that they do not understand why the NGO workers discourage this practice. They see it simply as keeping an account in two banks.

The unit office of ASA does not maintain any relationship with the government offices in Habiganj. This job is performed by the regional coordinator of ASA. In Habiganj district the Deputy Commissioner's office started a bi-monthly meeting with NGOs in October 1995. By the time of the fieldwork three such meetings had been held. The minutes were examined and it was found that in the meetings the NGOs were asked to inform the district administration concerning their areas of operation and to submit their annual progress reports.

The Deputy Commissioner of Habiganj stated that in his experience he found that NGOs function in an area without much interaction with local government functionaries. They only come to government agencies when they face problems with their operation. The DC believes that there still exists a feeling of distrust between Government and NGO officials. He also feels that there is yet to emerge any mechanism through which the DC's office can efficiently coordinate government and NGO programmes in the area.

7.1.4 Findings of other studies of ASA

In mid-1994 an external evaluation of the ASA programme was conducted under the auspices of ASA and its Partners' Group. At this stage, the programme comprised four

elements; education for empowerment, human development training, income generation for empowerment and an integrated health programme. It seems that according to donors' requirements and programme phasing in different parts of the country, the intended aim of concentrating only on savings and credit had not (and still has not) been fully realised nationally. A number of elements from previous programmes, notably related to health care, have been continued into current phases under donor funding.

Some of the key findings of the Evaluation were:

- using credit money for income-generating projects, families have become solvent and increased their living standards;
- women are less dependent on their male partners and can speak against their oppression by family or society;
- some have accumulated sufficient capital to anticipate not needing further credit in the near future;
- women have achieved an increased status in the household due to their economic role;
- credit has created more rural employment opportunities for women;
- on an average beneficiaries have increased their income by more than 40 per cent;
- loan recovery rate is virtually 100 per cent;
- based on loan recovery, ASA field operations generated an income for the organisation of 26.3 per cent, thereby making a 2 per cent profit margin on the break-even rate of service charge of 24.3 per cent;
- ASA capitalises its net savings annually and annual savings rose from Tk 13 million in 1992 to Tk 49 million in 1993.

The evaluation also made a number of recommendations, including the following:

- ASA should pay more attention to gender and empowerment, notably through involving more women in policy formulation, implementation and management of programmes, training COs on gender issues, and the establishment of a gender development cell at central level to strengthen the women in development programme.
- ASA should make a five year plan projecting its physical expansion and anticipating funds needed to sustain this, so that it can plan its funding strategies accordingly.
- In order to meet the needs of beneficiaries, the maximum loan should be gradually increased to Tk 10,000.
- ASA could introduce an entrepreneurship development programme, for which a separate revolving loan fund would be needed.
- Emphasis should be placed on encouraging the maximum possible savings, to increase the organisation's self-reliance.
- ASA should aim to establish a Development Financing Bank and make the necessary preparations.

As a follow up to the 1994 evaluation, the Partners' Forum, now under the name of the Consortium, decided to undertake an assessment of ASA's credit component and later an overall impact evaluation. The assessment was conducted in May 1996 (Berthold, July 1996). Some of the conclusions are as follows:

- ASA has adopted the concept of economic empowerment as the key for the solution of a broad range of problems of the poor.
- ASA is striving to attain its own financial self-reliance.
- ASA does not aim to make its groups self-reliant.
- in group meetings, the 'development education' component is very much subsidiary to the credit component.
- ASA operates within 'a rather rigid organisational frame' and participation of group members is minimal.
- New members quickly obtain their first loans and are able to meet the weekly instalments out of ongoing business activity.
- The 12.5 per cent service charge indicates a real rate of interest of about twice this level, which is comparable with that of other big NGOs.

ASA has expanded its field operation at an enormous rate (from 144,000 members in 1992 to 404,000 in 1996), based on capital inflow from members' savings, contributions from partners, loans and its own surplus. This has been achieved through low administrative costs and strong discipline among staff and group members.

In 1994 and 1995, ASA covered all its current expenditure through service charges, enabling it to maintain and slightly expand its organisation. For growth, external finances remain essential.

Group members are able to improve income and standard of living through the loans, thereby also improving their social standing. To make an improvement to a 'comparatively reasonable level may require at least five to ten years more of ASA's service'.

In view of its increasing income, ASA took steps to benefit its members, by reducing service charges from 15 per cent to 12.5 per cent and of life insurance charges from 2 per cent to 1 per cent. It also increased the size of new loans available and permitted members to take some credit against their own savings. ASA is turning towards national sources of financing wherever possible. ASA intends to continue primarily as a bank-like NGO, with a target of 1,000 units with one million members by the year 2000 'it can be said that 'credit' is not only a 'component' of ASA, but it constitutes almost the whole of the institution which is therefore often called 'ASA-bank'. ASA is managed in an efficient way and shows an outstanding performance with respect to its own self-reliance and in rendering services to a fast growing number of rural women' (Assessment Report, p. V).

7.1.5 Key findings for evaluation of poverty alleviation through NGOs

- ASA has over 375,000 group members, 99 per cent of them female.
- It was set up in 1978 and began its work by strengthening people's organisations through conscientization and training. Organisations became strong and took social actions, but the poor economic status of members made the achievements unsustainable.
- The intended apex organisations of members' groups could also not be sustained, because poor people lost interest when no tangible benefits came from them. Furthermore, the apexes aroused suspicion and hostility among the rural elite.
- The second phase of activities focused on development education, income generation, credit and women's development. This also achieved much, but the integrated development concepts took long to realise, while members placed higher priority on access to credit.
- The third and current phase is centred on savings and credit through groups. At the same time, participation in the groups contributes to raising of awareness of development issues and helps create a new category of people with leadership skill in rural society.
- The ASA programme is focused almost entirely on women. About one third of its own field staff are women, but this is not reflected in management positions.
- Management procedures are decentralised, well-documented and effective.
- The credit programme is standardised and highly disciplined. It provides regular loans of between Tk 2000 and Tk 6000 to all members.
- Many members of the 'hard core poor' do not wish to participate in savings and credit schemes, but prefer to concentrate on daily labouring, which gives an immediate return.
- Although ASA provides no formal training on such issues as how its members can best access services available from government or other providers, its members are well informed on these topics. They state that through meeting regularly and sharing information, such knowledge is disseminated.
- ASA credit has improved the standard of living of members and their households.
- Although women receive the loans, most of the money is directly used by men. Women note that their role as the channel to credit has raised their status in the household.
- As well as access to credit, many women indicated that skills training would be useful to them and possibly enable them to utilise more of the credit received.
- Group members in the area studied compare NGOs on the basis of their perceived characteristics and choose between them. ASA is seen as having a lower interest rate than other NGOs.
- At district level, there is relatively formal coordination between NGOs or between NGOs and government.
- ASA has adopted the concept of economic empowerment as the key for the solution of a broad range of problems of the poor.

- ASA is striving to attain its own self-reliance, but does not aim to make its groups self-reliant.
- As its income has increased, ASA has reduced service charges to members.
- ASA intends to continue operating primarily as a ‘bank-like’ NGO.

7.2 The Baitul Aman Trust

7.2.1 Background

Baitul Aman Trust is an Islamic welfare organisation in the coastal district of Patuakhali. It was founded in 1981. Until the early 1990s its major emphasis was on running an orphanage, mosque and charitable dispensary and providing Islamic education to the residents of the orphanage. Its project area was Patuakhali sadar thana. With the help of local and sometimes international funds Baitul Aman has also organised various social programmes and income-generating activities for poor people. During the 1980s it organised vocational training on operating sawing, welding and sewing machines. Occasionally it distributed income-generating equipment to destitutes, both male and female.

7.2.2 The project

From 1994 the organisation began a community development project in a remote union named Kamalapur, under the Patuakhali sadar thana. At this stage it registered with the NGO Affairs Bureau as an organisation eligible for international funding. For the new community development project, 90 percent of the funding has been provided by Cebemo/Vastenaktie (now Bilance), which has agreed to fund the project for three years. Cebemo’s total contribution to the project is estimated at Tk 1,083,949. Under the financing agreement, Baitul Aman must send half-yearly and annual reports to the funder.

7.2.3 Findings of the IOB evaluation case study

Area studied

The Kamalapur Union consists of 15 villages with a population of about 25,000. It is only eight miles away from Patuakhali sadar thana, but it takes three hours to reach there in a motorised launch. The only other way of reaching Kamalapur is to walk for four hours. The region is very undeveloped, with little access to safe drinking water, and no school or health care centre. Baitul Aman is the only NGO working in the Union. Grameen Bank

operates on the other side of the river. Some of the villagers are members of Grameen. This is a natural disaster prone area. Law and order is another important problem facing the residents of Kamalapur. The area is said to be a hide-out of political extremists and terrorist elements and often the local residents become victims of extortion. Big NGOs such as BRAC, Proshika, CARE and CODEC have operations in Patuakhali Sadar, but not in Kamalapur Union.

Aims and objectives of the project

The project objective is to improve the income level of the poor, and eradicate illiteracy and ill health. In order to achieve these goals the strategy that the organisation has adopted is to organise its target population into groups, impart literacy and functional education and preventive healthcare training, develop savings habits and gradually, when a group is cohesive enough, provide it with credit for income generation. The target group of the project is the 'landless and assetless destitute men and women irrespective of caste and creed'. Baitul Aman has planned that by the end of the project period it will have organised 1200 men and women into sixty groups.

Project activities

Like most other grassroots level NGOs in Bangladesh the Community Development Project of Baitul Aman is managed by an individual. The executive director of Baitul Aman Mr Matiur Rahman is also the Chairperson of the local Union Council. He has a few advisers. Under the Executive Director's leadership eight group organisers (GOs) and fourteen functional literacy teachers are implementing the project. None of the GOs had any prior experience or exposure to NGO programmes. Because of its limited financial resources, Baitul Aman has only been able to offer GOs basic training in project management and it has few formal guidelines to assist them in their work.

The Baitul Aman project started in 1994. By February 1996 the organisation had formed forty-five groups with a total membership of around 900, of whom slightly more than half were women. Baitul Aman is following the Grameen Bank group formation methodology. Under this, each of the groups has twenty members. Each group is further divided into four sub-groups, each of which has a leader. Baitul Aman was slightly behind in its schedule of group formation. This has been mainly due to the difficult political situation prevailing in the country in recent times.

Beneficiary groups and organisation

Groups studied were relatively old by the standards of the project, having been in operation for two years. Eight groups were studied, each of which had twenty members, although a

good number of these were not found to be active. It is intended that those attending and resolutions made should be kept in Resolution Books, but these were not made available to the fieldwork team.

From group discussions it appeared that members who received loans were regular in attending meetings and in their contribution to group savings. However, those who did not receive loans have not been regular in attending group meetings and are also not saving. According to the group members, people of the area are keen to participate in credit programmes, but after a year of group activity some of the members became inactive because Baitul Aman failed to provide them with a loan. Some of the inactive members stated that when the group organisers motivated the villagers to form groups, they stated that if the villagers joined Baitul Aman, attended group meetings regularly and saved Tk 5 weekly, after a year when each of them would have Tk 260 as savings, they would be entitled to credit. Accordingly, most of the members regularly attended the meetings and contributed to group savings. But after a year Baitul Aman could not provide all of them with credit. Due to a cash shortage the organisation provided funds to only five out of twenty members of each group.

This created problems for Baitul Aman. Members who did not receive loans became uninterested and stopped their savings programme. Some of these members stated that they will attend meetings and save regularly as soon as they receive funds from the organisation. It is clear that Baitul Aman's approach to motivating group members has been over-optimistic in the light of its limited funds. It created an expectation which could not be met. Many NGOs cannot provide credit to all clients of a group at a time but that does not mean their members become inactive. According to Baitul Aman management, the organisation is distributing its limited funds according to a phased plan, but many members seemed unaware of this.

Benefits received

- Credit and savings

Under this Baitul Aman project providing credit is the principal activity. The organisation provides credit to clients after they have been a group member for one year. From each group four or five members received a loan in the first set. Baitul Aman provided a Tk 2,000 loan to each of them. Those who have received credit have no difficulty in paying it off. The recovery rate is 100 per cent. Savings, credit and repayment records are maintained properly. Almost all the members stated that they have invested their credit in income-generating projects. Some have invested in buying agricultural inputs, a few in small ferry boats. One member said that her loan money helped her husband to set up a

barber-shop. As a major part of the area gets seasonally inundated, animal husbandry is not as common in Kamalapur, as in many other areas. Some clients who did not receive loans were of the opinion that the organisation does not have proper selection criteria for loan disbursement, but management states that loan applications are assessed according to the feasibility of the project proposed and the likelihood of loan recovery.

- Training

Baitul Aman's credit programme is not supported by any skill-centred training, other than that available through its small Vocational Training Centre, but it does provide adult literacy courses for its group members. Again, its funding constraints have prevented the organisation from providing a more integrated approach to training and credit.

Impacts of the programme studied

- Social impacts

Access to safe drinking water and hygienic sanitation are major problems of Kamalapur area. In the absence of any government-run health care centre preventive health care measures such as immunisation of children against diseases are not practised adequately by the local people. Diarrhoeal sicknesses are said to be common and many people use open spaces for defecation.

Although the project has little emphasis on health and hygiene, when clients were asked what they have gained through their membership of Baitul Aman, they mentioned many instances where the executive director helped them personally. Two groups stated that the nearest tubewell was far from their area, so accessing safe drinking water was time consuming for them. The Executive Director personally arranged the sinking of tubewells close to their vicinity He was able to arrange this through his position as the chairman of the local Union Council. Clients mentioned that the Executive Director also occasionally distributes medicines for common diseases and saline solution among the members. Members of one group mentioned that in Patuakhali sadar, Baitul Aman runs a charitable dispensary and they have been able to use its services, treatment and medicine.

Although Baitul Aman provides no technical skills training, it does provide adult literacy courses for its group members. At the time of fieldwork adult literacy courses were in operation in six of the eight groups visited. Girl students of a high school of an adjoining village were recruited as course instructors. The traditional state syllabus for adult literacy was followed. This was prepared for mainstream school going children and does not therefore contain any social awareness messages. The course instructors also

lacked any formal training or guidance. So far, some of the group members have learnt to sign their names through attending the course.

It is clear that there are many useful possibilities for NGO intervention in the area. Since the group organisers of Baitul Aman do not have any appropriate training or exposure to NGOs which undertake broader programmes, they have not been able to extend their activities into these additional directions. Until now whatever awareness building initiatives that the group organisers had undertaken have been very informal. The Executive Director discusses various issues including preventive health care, sapling plantation the ill effects of dowry and early marriage and expects that group organisers, in turn, will pass these on to the groups. But this informal method was not found to be very effective.

Group members were asked about dowry, early marriage and polygamy. They responded that they were against these practices. But none of the groups thought that the practice of dowry will cease in near the future. One group member stated that recently she had married off her daughter. The groom's side asked for many things including cash. She then requested the Executive Director to negotiate. He intervened in the matter, expressed his displeasure and rebuked the groom's family, informing them that they would never get any help from Baitul Aman if they continued to insist on dowry. Following his involvement, the matter was resolved and the member concerned had to pay much less dowry than was originally demanded by the groom's family. The Executive Director has apparently personally intervened in many such cases.

- Economic impacts

Baitul Aman clients formed groups two years ago. So far some of them have received one loan and others none. It is therefore too early to look for an economic impact from the project. However, members feel that access to credit through Baitul Aman will play a crucial role in their lives, as up until now the access to credit they have had, is through local money lenders, who charge high rates of interest.

Inter-NGO and Government-NGO relations

Big NGOs such as BRAC, Proshika, CARE and CODEC have operations in Patuakhali sadar but not in Kamalapur Union. It is clear that the credit need of the population here is way beyond the capacity of a local NGO like Baitul Aman. The Executive Director of the organisation stated that on various occasions he requested these large NGOs to begin units in the area but due to the remoteness of the region and its poor law and order situation they were not interested in working there.

The Deputy Commissioner of Patuakhali appreciated the work of NGOs in the District. He stated that because Patuakhali is a disaster prone area, his administration has intensive contact with NGOs. Baitul Aman is also particularly known because of its religious education programme, and its students are often asked to recite from the Quran on the occasion of official State programmes.

7.2.4 Findings of other studies of Baitul Aman

No other external studies of Baitul Aman were used by the IOB study.

7.2.5 Key findings for evaluation of poverty alleviation through NGOs

- Baitul Aman Trust is a small local Islamic welfare organisation, which has been working in the coastal district of Patuakhali since 1981, mainly on social development, welfare and skills training activities.
- Its groups have 941 members, 53 per cent of whom are female.
- In 1994, it registered with the NGO Affairs Bureau and began a community development project in a remote area, in which no other NGOs are working.
- The project aims to organise 60 groups with a total of 1200 members, impart literacy, functional education and preventive health care training, develop savings habits and disburse credit.
- Because of its limited financial resources, the organisation has been able to give its staff little training and few formal guidelines on work practice.
- For the same reason, Baitul Aman has only been able to provide credit to about one quarter of its members. Many of those not served have begun to lose interest in group activities.
- The credit programme is not supported by training in technical skills.
- In the absence of large NGOs, Baitul Aman is playing an important role in a remote area.
- It lacks access to the technical assistance it needs to upgrade its largely untrained staff.
- Its resources are inadequate for the credit needs of the area.
- The Executive Director is a local politician who has blended his political role with directly providing a service to poor people.

7.3 Caritas Bangladesh

7.3.1 Background

History

Organisations within the Caritas network are present in 142 different countries, including Bangladesh and Netherlands. Caritas began operating in the country before Independence, in 1967. At that time, it focused its work in the country's small Catholic community. The 1970 cyclone proved a turning point, as Caritas immediately set up a relief programme in the Noakhali area. Caritas proposed a US\$ 30 million relief and rehabilitation package, at that time the biggest in Catholic church history. Donor response was massive and within 15 months, US\$ 45 million was raised to finance the programme. In order to avoid creating dependency, the operation moved to a 5 year plan to create work opportunities for the destitute.

After the immediate relief phase, early efforts at development concentrated on raising agricultural productivity, with an emphasis on new technology such as power tillers. Government as well as many NGOs cooperated in this effort, which led to enormous increases in food production. However, Caritas began to realise that only those who had connections to the rural power structure were really benefiting from the progress made, whilst the poor stayed the same, or even declined as the rich bought up their land. Since land is the major asset in Bangladesh, those with power will struggle to maintain it and have always managed to successfully withstand attempts at redistribution.

Caritas was the innovator of the Rower Pump, of which nearly one million are in use to supply irrigation and drinking water. This had a major impact on health and productivity.

Caritas found that its early efforts based on cooperatives and increased productivity did not have the desired results and it therefore turned to ways of seeing how the potential of the poor could be more fully utilised. The approach chosen was one of raising the consciousness of the poor, empowering them and then introducing them to greater economic opportunities through savings and credit, associated with training. Few European donors were interested in such ideas. They retained a preference for improved technology, high-yielding seed varieties and other 'hardware' aspects as the way to raise people from poverty. Caritas, in a manner similar to CCDB, moved away from production and looked at the type of approach already being developed, notably by Proshika, which saw ideological factors as essential for strengthening the poor in order to help them occupy a stronger place in the social and political structure of rural areas. Caritas found that its donors took a great deal of persuading to embrace such ideas.

Funding partners

In terms of funding from the Netherlands, Caritas currently works with Cebemo and Caritas Nederlandica. It submits half-yearly reports to them and receives periodic visits from their staff. There is also regular correspondence and financial reporting. In Bangladesh, it registered with the NGO Affairs Bureau in 1978 and is a founder member of ADAB and a number of national and international networks. Almost all of its funding (94 per cent) comes from international sources, with Netherlands co-financiers supplying 11 per cent of these funds.

With regard to the possibility of seeking funding from the RNE, the Caritas Bangladesh Board will not allow them to receive money directly from any Government. Caritas management feel that such funding can make an NGO appear directly accountable to the foreign Government concerned, and that all NGOs should be wary of being perceived in such a role, since this role will be identified in Bangladesh and held against the NGOs.

7.3.2 Programmes

In 1979 Caritas obtained funding to put together a programme broadly based on a mix of consciousness raising, empowerment and savings and credit. Its system differs from many others in that it has relatively small Revolving Funds, financed at least 20 per cent by the beneficiaries and the remainder by Caritas. The programme began in 24 thanas and is now active in 77. Components of the overall programme include: the DEEDS (Development Extension and Education Services) programme, which began in 1979 and is now being implemented in 51 thanas; the Integrated Women's Development Programme (IWDP), which has been implemented in 7 thanas since 1990; and the Integrated Human Development Programme (IHDP), which has been implemented in five thanas, also since 1990. Groups participating in these programmes receive support from 2 or 3 Caritas resident workers per thana, plus access to additional outside resources as necessary. The groups also supply members for people's apex bodies. In principle, Caritas has one programme which has 43 components, which can be requested by any thana, but are not present everywhere. In total, Caritas has about 275,000 group members, 52 per cent of whom are female.

The IWDP programme has 75 per cent female clients and 25 per cent male clients. A notable feature of the programme is that it is mainly managed by women staff. As many as 90 per cent of its management staff are women. Caritas has found that, whilst women members operate very effectively at village level, at the higher thana level, they are still not very active participants. Caritas aims to actively manage its women-focused

programmes for about one and a half years, after which it hopes that women members will be able to operate in mixed sex groups and still play an active role. In the long run, Caritas hopes to have thana level federations of groups, and it will be necessary to devote considerable effort to raising the confidence and capacity of women if they are to be able to operate at this level.

IHDP is a programme for the landless and assetless people of the Barind-Tract, which has a special emphasis on people of tribal origin.

In Caritas' experience, if people have their consciousness raised and become more aware of their situation, but still have no resources, this is a very depressing experience for them. Poor people felt that the concepts of empowerment should be brought to their children, so that they would have more opportunities to operationalise the ideas. Caritas wanted therefore to provide education for the poor, but again its donors were reluctant to fund this. Now, Caritas has developed a concept of feeder schools, which differs from BRAC's main NFPE because it will concentrate on older children who missed out on schooling and will give them a chance to enter the system through an accelerated introduction designed to enable them to enter primary schooling at a senior level. Caritas Netherlands has pledged to provide Dfl. 300,000 to the programme, raised from children and their families in Netherlands. The programme is now running with 520 schools, staffed mainly by female teachers who have received special training in educational and developmental inputs. Funding for this programme has proved difficult. Furthermore, due to public demand, they are taking in younger children, which their donors tell them is a government responsibility.

7.3.3 Findings of the IOB evaluation case study

Programmes studied

As mentioned previously, Caritas operates a broad range of programmes. These are divided into eleven sectors:

- Cooperative and Extension Service and Rural Development
- Agriculture and Irrigation
- Fisheries Development
- Vocational and Trades Training
- Drinking Water and Sanitation
- Community Health and Family Planning
- Literacy and Numeracy
- Orphanage programme

- Handicrafts
- Mini Projects and Discretionary fund grants
- Disaster Preparedness Programme.

One of the core activities is the DEEDS (Development Extension and Education Services) programme which provides extension education to organised groups of members. This programme has been running since 1979. There are now 24 self-governing apex bodies which receive limited back-up from Caritas. These apexes represent 5,364 groups (of which 2,419 are female groups) consisting of 99,674 members and with accumulated savings of Tk 46,248,438 (Caritas Annual Report 1994–5). This programme is funded primarily by Cebemo (Tk 28,914,685 in 1994–5) and Misereor of Germany (Tk 19,378,480). It is one of 37 programmes or project which received overseas funding during that year, but the second largest one, accounting for some 23 per cent of the overseas funds received.

DEEDS is now running in two stages. Under Stage I, the original 24 Apex thanas are receiving:

- follow-up support for further strengthening;
- development of leadership qualities at all levels for both males and females;
- training in group bye-laws;
- help leaders to initiate cottage industries for employment creation for primary groups and to help contribute to running costs of Apexes
- reach more group members with income-generating loans
- strengthen all Apex bodies with a view to their self-sustainability.

Under Stage-II, Caritas has been working in 27 new extension thanas since 1991, with the following objectives:

- to make people conscious of their basic needs and of the exploitative mechanisms of the existing socio-economic structure;
- to make people resourceful and skilful;
- to foster the savings habit and generate capital;
- to increase family income;
- to develop alternative leadership;
- to forge greater solidarity among group members at union and thana level;
- to ensure access to government resources and ensure their proper utilization.

The DEEDS programme is run by 189 permanent Caritas staff and one Apex Adviser.

The Integrated Human Development Programme (IHDP) has similar activities to those of DEEDS and IWDP. It began in 1990 and the present project will end in 1998. However, unlike other Caritas programmes, IHDP does not follow the concept of the ‘phasing-out’ of groups from its own management through the formation of self-managed federations.

Area studied

Fieldwork was undertaken in the Rajshahi area, where Caritas has been working since 1972. After the war of liberation it organised a massive relief operation all over the district including Naogaon, Chapainabanganj, Pabna and Natore. By 1975 Rajshahi became one of the regional units around which Caritas implemented various relief, welfare and development programmes. At present, Caritas is implementing three types of projects in Rajshahi. These are the Development Extension and Education Service (DEEDS), the Integrated Human Development Programme (IHDP) and the Integrated Women's Development Programme (IWDP). Up to July 1996 in the whole of Rajshahi region Caritas had formed 1129 male and 1063 female groups. These groups have a membership of 44,175. Of these three projects, DEEDS receives funding from Cebemo. Caritas has also requested Cebemo to fund its IHDP programme.

Since 1979, Caritas has implemented DEEDS in three thanas of Rajshahi. Officially in 1990 Caritas withdrew its staff and let the apex take over the responsibility, with Caritas providing back up services. From 1991 it undertook a DEEDS expansion programme in three new thanas. The aim is that after five years it will again give up intensive supervision of these groups and give more responsibility to the members. IHDP is also implemented in five thanas. By October 1995 it had formed 584 groups with a total membership of 12,159. Of the 8 Caritas groups studied, five participate in DEEDS and the remaining three in IHDP.

Aims and objectives of the programmes

DEEDS is one of Caritas' centrally run projects. The principal aim of the project is to establish social justice, by organising landless assetless people in such a way that they can gradually take control and decide the path of their own future. Self-reliant peoples' organisational development, therefore, is the ultimate goal of the project.

To meet the project goals, Caritas has developed a three tier structure for groups of the rural poor. Caritas aims to strengthen these groups to the point at which it can hand over the responsibility of administering the organisation to the members themselves. Village-level groups constitute the bottom tier of this structure. Each group consists of 15–30 members. There are three officers; the president, secretary and cashier. Group members decide how often they will meet, how much they would like to save and what type of economic activity and training they would like to undertake.

The second tier is the union-level committee. The chairpersons of all primary groups constitute the Union committee. Half the members of these committees are intended to

be women. The function of this tier of the organisation is to oversee the performance of all the groups under the union, scrutinise the credit proposals of the villages under it, see whether these exceed the union-level allocation and pass the proposals on to the final tier, which is the thana-level committee, known as the apex body.

This apex body consists of two components; the general body and the executive body. Two members (one female and one male) from each union are represented in the executive body. The general body is formed of one nominated member from each primary group. It sits twice a year to formulate the policies of the apex and to review the activities of the Executive Body.

According to its programme plan, Caritas intends to help these organisations for five years, after which it hands over the responsibility along with the assets (group savings, Revolving Loan Fund and office buildings) to the apex organisation. The apex should run the organisation as an independent entity and try to get registration from the Social Welfare office of the district.

The IHDP aims to assist in the socio-economic development of socially disadvantaged people through a participatory method. Unlike DEEDS and IHDP, it does not have the component of phasing-out. Activities at primary group level are the same and include group formation, organisational development, adult literacy, training, credit and income generation.

Beneficiary partner groups and organisation

Puthia thana was selected to understand the operation of the DEEDS programme, Paba thana as an example of a 'phased-out' DEEDS programme, and Tanore thana for the IHDP programme. Five DEEDS extension groups (three male and two female groups) were studied in Puthia. In Paba, the phased-out federation apex body was studied. Two female and one male IHDP group were studied in Tanore.

The five DEEDS groups in Puthia were formed between 1991 and 1992 and currently have a total of 112 members, with numbers varying between 15 and 30. Meetings of these groups are planned at different intervals; weekly, fortnightly or monthly. Two of these five groups meet regularly, while the other three are irregular. About three quarters of the members attend the group meetings (excluding one group with a lower rate). The three IHDP groups were formed between 1992 to 1994 and currently have a total of 73 members. All three groups are supposed to meet weekly. One group keeps to schedule, but the other two are irregular. Attendance of members in these group meetings averages about 70 per cent.

Benefits received by members

- Savings and loans

Both DEEDS and IHDP groups studied save more or less regularly. Altogether, these groups have saved Tk 95,064. The group savings are supposed to be kept in the groups' bank accounts. However, some group members alleged that their group leaders had spent part of the savings for their personal use. A non-member in a village with a group stated that a few months ago the general secretary misappropriated the savings of other members and quit the organisation. The other members could not do anything about it. That is why she was reluctant to join the organisation. Such allegations could not be substantiated by the study team.

Members of the eight groups studied had not had regular access to credit from Caritas. One men's group received credit amounting to Tk 338,000 on one occasion. This loan was distributed among 17 members, out of a total of 29. The secretary of the group received Tk 10,000 and rest of the loan was also distributed unequally between members. Some received more than the others. One of the women's groups has received loans twice. The group received a total of Tk 10,000 as its first loan, which was distributed among five members. Tk 12,000 was provided as a second loan and was shared by nine members. Another men's group, formed in 1991, has received loans twice. The group received Tk 10,000 on the first occasion and Tk 27,000 as the second loan. The first loan was distributed among seven members and the second among fourteen members. Two members have not received even one loan. There is some dissatisfaction among the members, and after the formal group meeting attended by the study team, some of them expressed this forcefully. They claimed that at least half of the original group members became inactive due to non-receipt of loans. This group originally had thirty members, but this has dropped to sixteen.

Another women's group was formed in early 1992 and has also received a loan twice. The first loan of Tk 11,000 was distributed among five members. The second loan of Tk 16,000 was distributed between ten members, although the group has altogether twenty four members. Four members have not received any loan and stated that they have therefore lost their enthusiasm for group activities and no longer attend them regularly. The five groups studied began with a total of 145 members and by March 1996 they had lost about one quarter of these.

The credit recovery rate of most of the groups is considered satisfactory. Caritas pursues a very liberal policy in defining loan default. It does not strictly enforce the repayment schedule of loans and only one which is very long over-due is counted as in default.

Caritas states that this is because it does not see its credit operation as an avenue for its own organisational sustainability. Rather, it views this as a service to the rural poor. Caritas also charges very low interest (12 per cent) for the credit that it provides. It is one of the few organization which has little difference between its stated and effective interest rates. However, members expressed the wish that Caritas would couple its lower interest rate to more frequent credit provision. Other problems referred to were the relatively long time taken to process loans and the fact that Caritas issues cheques in the name of the group leader, which can create additional delay and complications for the members.

- Training

Training is a strong component of the DEEDS project. Two types of training are offered, on organisational management and skill-centred. Organisational management training is provided in three stages; elementary, advanced and follow-up training. These training courses are given to village, Union committee and apex body members. They are mainly intended to explain the purpose and objectives of the various tiers of the organisation, how members can contribute towards consolidation of these organisations and how the structures will benefit them in the long run. Each of the training courses is three days long and the sessions are held at the regional office in Rajshahi. This regional office is well equipped to run three training programmes simultaneously and it has dormitory facilities for the trainees. The organisational development training courses are mainly provided to committee members from union committees or thana apexes. Most of the committee members who have attended the training courses have a good understanding of the fact that in future they will be in charge of their own organisations. An important feature of the Caritas training programme is that about 50 per cent of the trainees in each programme are women. However, there is a perception among some group members that attending these training courses is a privilege which mainly benefits the few who hold leadership positions. The general members did not seem to be aware of the concept of organisational self-reliance and are therefore unlikely to appreciate the need for their leaders to attend such training.

Skill-centred training courses are provided at the group level and are mainly held at the local project office. Two to three members (mostly in leadership positions) of six groups have received training. In two groups, however, so far no one has received training. Poultry rearing, kitchen gardening and traditional birth attendant are a few of the skill-centred courses which have been run. In almost all female group meetings clients have indicated their interest in handicrafts, specifically in tailoring. Training in kitchen gardening and tree plantation nurseries have been provided to members, and 20 village-based nurseries have been developed and 18 kilometres of roadside tree planting undertaken.

At the group level two types of training are provided to the clients. Skill-centred training and leadership training on group management. These courses are provided in the Puthia office. Three members of the one women's group received leadership training, three on poultry, three on vegetable plantation, three on women's rights and one on traditional birth attendance (TBA). Two members from one Landless Men's Group have received leadership training, they are the secretary and the cashier of the group. No other training has been provided to the members of the group. Members of another women's group have received two types of training. One member received training on leadership and four members on poultry raising. In another women's group which was formed in 1991, members have received three types of skill-centred training. Two members have received training on poultry rearing, three on vegetable gardening and one on TBA. Members of one of the men's groups have received the most training. Three have participated in courses on leadership, two on book-keeping and five on pisciculture (specialized shrimp cultivation). Another member from the same group has been trained to work as a volunteer with other newly formed groups. Members of the other three groups have yet to receive any training.

- Federation (Paba Thana Apex)

Paba Sharbik Manob Unnoyon Shangothon (SMUS) is an apex organisation in Rajshahi, which was phased-out from direct management by Caritas in 1991. It has a three tier structure: primary groups, union committees and the thana apex. The thana apex is in charge of managing the programme. Paba was under Caritas's direct supervision for twelve years. When the management of Paba thana was handed over to the new apex management body it had 242 groups with 5000 members under its organisational umbrella. It now has 262 groups with a total membership of 5081. The apex has applied for registration to the Directorate of Social Welfare of the Government, but this has not yet been approved. Paba apex has one coordinator, one accountant and fourteen grassroots-level workers, known as union workers. At the moment, 80 per cent of staff salary costs are borne by Caritas. This implies that the apex has not yet reached the stage of making enough profit to bear its personnel costs. Caritas management indicated that by the year 2000 Caritas wants its apexes to bear the full costs of their own operation.

The management structure of the apex has an executive committee and a general body. The executive committee meets monthly and the general body meets bi-annually. From the office records kept by Paba apex, it was found that meetings of both the committees took place regularly. The executive committee met twelve times last year with an average attendance of 70 per cent. Three types of documents were kept at the thana apex office; the resolution book, accounts book and cash book. Internal audit takes place yearly. It was observed that management of the thana apex is still dependent on Caritas regional office

staff. At least three persons from the regional office, including the regional apex coordinator and DEEDS programme in charge, attend the monthly executive committee meetings. The apex coordinator also regularly attends the union committee's monthly meeting.

With regard to savings, as at February 1996 the groups under Paba apex had saved Tk 3,502,741. Therefore on an average each member had saved Tk 689. As far as credit is concerned, when Caritas handed over the management of Paba thana to the executive committee, Tk 1,000,000 worth of Revolving Loan Fund was transferred. Between July 1991 and December 1995, the executive committee disbursed Tk 3,300,000. During this time they should have recovered Tk 2,626,800, whilst the achieved amount is Tk 2,242,336. The total interest earned (at 12 per cent) through the revolving the fund was Tk 349,413. This suggests that the Revolving Loan Fund has not been very efficiently managed.

In 1992, the apex took a lease of 85 acres of marshy land from the Government in order to undertake fisheries. This activity did not make any profit in the last two years. However, the regional apex coordinator believed that this year they will be able to earn some profit from the project. With the same target population of Paba, Caritas under its own management has been implementing projects funded by the Catholic Fund for Overseas Development (CAFOD) and the Aquaculture Development Programme (ADP). These projects cover housing, income generation and fisheries and have combined funding of Tk 1,580,500. In September 1995, the ownership of these projects were also handed over to the apex, so that the total Revolving Loan Fund of Paba apex rose to Tk 2,580,500.

When the responsibility for these projects was handed over to the apex, it presented a major challenge to the management. The apex executive committee members pointed out that the CAFOD- and ADP-funded programmes were handed over to them to manage, but since the projects were already operational, the committee had to take the responsibility of recovering substantial loans from the field. CAFOD had extended loans of Tk 25,000 to individual member for housing and income-generation purposes. The loans from ADP, as an experimental scheme, were up to Tk 100,000 (compared a usual limit of Tk 50,000) to a group for pond purchase and fish cultivation. Some of these loans were already overdue when the apex took over, since Caritas staff themselves had been unable to recover them. It is proving an extremely difficult task for the apex to recover loans which it did not disburse in the first place.

A meeting was held with seventeen group leaders under Paba apex. They represented various primary groups. These members stated that their groups initially had 20 to 30 members. However, over the years a good number of them have left. Leaders stated that one of the reasons they were losing members was the apex's limited ability to provide

credit. They further reported that since BRAC has begun its operation in the area, some of the former apex members have joined this NGO. An allegation was also made regarding embezzlement of funds amounting to Tk 16,000 by an apex union worker, who by then had left the organization. The study team found that, despite the many difficulties encountered, there is a great deal of willingness on the part of the members of the executive committee and a number of affiliated groups to keep the apex going.

Impacts of programmes studied

- Social impacts

During the group discussion sessions group members were asked about the social and economic gains made through their participation in Caritas. With regard to hygienic latrine use, it was found that some members of three women's groups mentioned that Caritas had helped them to install and use slab latrines. Members from some other groups also reported, that many of those who previously used open spaces for defecation have now begun using a traditional exposed toilet. However, members were also found, especially in the IHDP project, who still use open space for defecation.

With regard to access to safe water the members stated that all of them used tubewell water for drinking purposes, even though for many of them access is not very easy. The members of one male group stated that for a long time they have asked Caritas to help them install tubewell in their locality, but without success. A few members of two other groups stated that they had their own tubewells before their membership of Caritas. Caritas staff stated that in one area which used to have a problem of accessing safe drinking water, the organisation has assisted with the installation of a tubewell and ten treadle pumps.

Immunisation of children is practised by most members of all groups studied. It was also found that Caritas members have a moderate degree of awareness about basic hygiene and cleanliness. But they stated that these issues are not systematically discussed in group meetings. Therefore in many instances such theoretical knowledge is not practised in real life. A member from one of the women's groups stated that although they had some knowledge about health care issues, Caritas' programme does not have a demonstration component like BRAC's, so that the knowledge gained does not become part of their daily life. She felt that in order to make such knowledge as preparing oral saline, washing hands before meals and keeping food covered part of their daily lives, effective demonstration is necessary.

Encouragement of incorporating nutritious fruit and vegetables is one of the core intervention areas of many NGOs. In the case of Caritas, however, such motivational work

was found to be lacking. Members who have attended vegetable production training have some knowledge about nutritious vegetables. But these members stated that they are yet to cultivate the intended varieties of vegetables. Members of one group have undertaken a banana plantation project. Caritas workers stated that in Puthia there are 20 mini nurseries organised by Caritas members. The local office has also undertaken 18 kilometres of roadside plantation.

Except for two men's groups and one women's group, all the others have received an adult literacy course from Caritas. Members who attended stated that they have learned to sign their names from the course. However, from the resolution book it was found that in some groups, especially among members of tribal origin (under IHDP programme), a number of them still practice thumb print. In most of the groups some members had previous educational experience. One men's group contained a graduate. However, it was generally the case that the members of male groups were not literate and yet they were not at all interested in adult literacy programmes. They stated that they did not find any practical utility in these courses. Similarly, most of the members of female groups did not appear to be interested in adult literacy. Most of the women saw Caritas primarily as an avenue for economic upliftment. Members of one women's group, however, felt that the six month education course was not enough for them, because it finished as soon as those attending began to become interested. Therefore, the only thing that they have retained is how to sign their names. They felt that some time after the course, a more advanced course should be offered to those who are interested.

Except for Santhal (tribal minority) group members, all others claimed to send their children to school. They felt that over the years enrolment of children in schools has gone up in their locality and Caritas workers have played a part in this trend.

- Social empowerment

Caritas puts a lot of stress on strength of collective power. In the eight groups studied no member mentioned that they have contested in local elections. However, the study team was informed by the project office that from the Rajshahi region eight members had contested local elections and three had won. Members who received leadership training stated that they had learnt the strength of collective power. Caritas also encouraged its clients to exercise their voting rights in local and national elections. The members felt that they now know more about the political process than before. They believe that this knowledge has a definite correlation with their increased participation as voters in elections.

With regard to access to khas land, it has been stated that Paba apex has leased 85 acre of water for the purpose of fisheries. Another two groups have taken lease of privately owned water bodies. One women's group stated that there are some plots of khas land in the locality and that they requested the local Union Council Chairperson to let the group utilise one of these, but he did not respond to this initiative. The group also sought the support of Caritas in this respect but the organisation could not help them to achieve their goal.

One of the men's groups reported that it had recently participated in an action which helped some of its group members assert their rightful claims with regard to wages. The members concerned worked as wage labourers for an agreed amount but their employers underpaid them. The members decided not to work unless they were paid the agreed wage and after a while the employers had to concede. The members felt they were able to achieve this because they are now organised.

Caritas staff stated that in another incident when a group member, a rickshaw puller, was beaten up by a passenger, the group made the person apologise to the member. Two members of another group were helped financially by the other members when they fell sick, and were treated at a Caritas shelter for the sick.

- Women's empowerment

Women members stated that through development education they have learnt about the ill effects of dowry, early marriage and polygamy. But they felt that such knowledge did not mean much in the hard realities of their lives. A member of one women's group stated that as they belong to the minority Hindu community they feel socially vulnerable. This vulnerability is most keenly felt with regard to the need to protect the honour of their unwed female members against the attention of influential local men. To avoid problems, they always try to marry off their daughter as soon as they reach the age of puberty.

The practice of dowry is very common in the project areas. The Hindu members stated that in recent times the amount of dowry has greatly increased and the members feel totally helpless in this regard. They stated that they do not feel this practice will change in the near future or that their group effort can somehow curb it. Members of one women's group were of the opinion that only the Government can take effective measures against the practice of dowry. A few instances of marriages without dowry were reported by Caritas staff. Group members did not report any incident where they participated in arbitration and mediation in family matters. From group meetings and individual interviews it was found that a section of the male members still do not seem be concerned about the ill effects of child marriage and dowry.

A major success of Caritas' efforts, as perceived by the female members, is that due to participating in groups they have become more mobile. Moreover, some stated that they have become more articulate and can express themselves more confidently. Women who have received loans stated that their access to these has changed their position in their families. Husbands and other senior male members now treat them with more respect.

When the question was asked what type of employment was created through Caritas credit the response was not very positive. As with many NGOs studied, credit for women has created some additional employment opportunities for their male partners. Some members in most of the groups receiving credit have kept a small amount for themselves for poultry raising or inputs for vegetable gardening. Direct employment has been created for the women who were trained in TBA and through setting up of mini nurseries.

- Economic impact

Most of the members in groups studied have received credit one or two times. Members interviewed stated that with Caritas help, through credit and training, some of them have made considerable economic gains. For example, some members have taken up such projects as shrimp cultivation and banana plantation. Three men's groups have taken leases on derelict ponds, excavated them and begun fish cultivation. Some members of each of the groups have invested the credit in animal husbandry. A few invested the credit for agricultural inputs, and others on tailoring. A small number have even bought plots of arable land recently, while others have improved condition of their homestead. Members of some groups which have not yet made substantial progress stated that if continuous access to credit can be ensured, their economic status will also change.

In this region, members' dependence on money lenders is still high. One member, for example, stated that he has to depend on such loans at all times. At the time of interview, he owed Tk 5000 to a money lender. He repays such loans in paddy, with an effective interest rate of 240 per cent. A member of a women's group also reported taking Tk 5000 loan from a money lender at 200 per cent interest. Recently some members have been able to get loans from the Krishi Bank.

Members' assessment

During group meetings members pointed out both the strengths and weaknesses of Caritas. Many of them stated that they have chosen Caritas over other major NGOs, such as BRAC and Grameen Bank, because the interest charged by Caritas was much lower than other NGOs. Moreover, both Grameen Bank and BRAC takes severe action if a member fails to repay a loan instalment. Caritas is much more relaxed in such matters. It does not

penalise the defaulters even if repayment is delayed by months. Caritas takes into account the circumstances that prevent a member from repaying. Clients also favour Caritas' policy of monthly repayment of loans as against the weekly repayment schedules of BRAC and Grameen Bank.

However, clients also indicated disappointment on a number of issues. Members of one group, for example, stated that Caritas' procedure of loan disbursement is very slow and cumbersome. Due to procedural delays, they sometimes do not receive the loan when they need it. This disbursement delay is created by many factors, one of which is Caritas' policy of issuing cheques through banks. Clients alleged that they face harassment and delay by bank officials on flimsy grounds. The members stated that they usually invest their credit in agriculture. Due to delays in receiving credit, they sometimes miss the crop season completely. They suggested that in order to circumvent the problem, loan money should be disbursed directly from Puthia Caritas project office and not through the bank. Members of another group also complained that the loan disbursement procedure is unusually lengthy. A loan is sanctioned from the regional office in the name of the group leader. The group leader along with three other members as witnesses has to be present in the office to receive the cheque. The travel costs in such cases have to be borne by group members. Then the cheque needs to be cashed at the bank, where they face the problems stated above.

Another problem of Caritas' loan disbursement is the issuing of cheques in the name of the group leader. Leaders often take advantage of this to keep the largest share of the loan, whilst many other members do not receive any loan at all. One drop-out member from a women's group was quite bitter about her association with Caritas. She stated that during her last three years of membership she did not receive a loan even once. So she withdrew her membership from Caritas. The group refunded her savings but refused to pay any interest. Now she has joined BRAC. She finds the credit programme of BRAC to be much more professional. She now receives a loan regularly and on time. She also thinks that the credit programme of BRAC is much more needs-based and disciplined. The study team was informed that, in order to keep its clients satisfied, Caritas needs to address the problems of delays in loan disbursement and unequal distribution of loan money.

Altogether three members from the groups studied have received TBA training. They stated that these courses were very important to them, since they had created direct employment for them and increased their status among clients. Two of them were previously working as TBAs. They stated that attending the course has increased their professionalism. They now put more effort into ensuring hygienic conditions during and after child birth both for the mother and the child. One TBA-trained member stated that it is generally an the elderly member of the household concerned or from the neighbourhood

who actually delivers the baby, but she (the TBA) performs all tasks before and after the delivery. She ensures that all necessary utensils are properly cleaned and sterilised and that the child deliverer washes her hands properly. Therefore training on TBA techniques was treated as very important by those who used their services.

Relationship with other NGOs and Government

In Puthia two other major NGOs are operating. These are BRAC and Grameen Bank (although this is not regarded as an NGO by this study). Fourteen NGOs are operating in Tanore, where IHDP groups were seen. A quarterly coordination meeting is held among the NGOs in Puthia. The Thana Nirbahi Officer (TNO) of Puthia also invites NGO representatives to the monthly development meeting of the thana. However, the problem of overlapping NGO membership still exists. According to a staff member, Caritas is very conscious of the problems of overlapping. They discourage their members from taking membership of other NGOs and do not knowingly accept members of other NGOs. According to them, many of their members did join BRAC and Grameen, without their knowledge. But once they became aware of this fact they asked the members to decide which NGO membership they would like to keep. After a certain period of time, if the member continues with dual membership, Caritas expels the member from the group once s/he has cleared her dues. In the case of one group, it was found that sixteen members had to leave Caritas, because they would not give up their membership of BRAC. However, one member was found who still maintained dual membership. The Caritas fieldworker said that she cannot receive any loan until she withdraws from BRAC. A Caritas non-member in one village studied said that she is simultaneously a member of BRAC, Ansar-VDP, and Bitang. She has taken Tk 30,000 from these three sources. She further stated that although she was interested to become a Caritas member, she could not do so as Caritas does not allow multiple membership.

Caritas is an active member of the ADAB Chapter of Rajshahi and its premises are used as the venue of the Chapter meetings. During these meetings discussion, among other things, on overlapping of NGO membership take place.

At the time of fieldwork the TNO of Puthia was not available. A local ex-MP was interviewed to give a political perspective. He stated that, in his experience, Caritas usually operates on its own in the area. He further said that while he was in office he had not been contacted by Caritas with regard to development or other issues, whereas BRAC officials sometimes approached him. On the other hand, a Union Parishad Chairman from one of the areas studied stated that Caritas does good work in the locality and seeks his advice on various issues. Similarly, the Imam of a local mosque stated that there has been development in the area due to the Caritas involvement.

7.3.4 Results of other studies of the DEEDS programme

The DEEDS programme has recently been evaluated by an international team commissioned by Caritas Bangladesh, Bilance and Misereor. The study findings have been circulated in a report entitled 'Replication or Innovation?' (Main Report, October 1996). This report builds on previous evaluations of DEEDS in 1983, 1986, 1990 and 1993. It notes that Caritas has taken the results of these previous evaluations seriously and has attempted to meet their recommendations. The study was considerably larger than the IOV field study of DEEDS, and visited 34 Primary Groups in DEEDS and four related Caritas projects in the Mymensingh, Rajshahi and Barisal regions. In examining the context of Caritas' operation, the evaluators note that it is perceived as one of the NGOs in the country which has had some success in federating local groups at a higher level, with the potential for generating a degree of social and economic empowerment within regional systems. Many other NGOs have failed in this aim and have even given up on the possibility.

Some of the findings of the evaluation are highlighted below:

Groups and organisation

- Caritas targets for coverage of the poor in particular areas have not been met, largely because of increasing competition from other NGOs for the same target groups and because of the lower than expected capacity of existing group leaders to stimulate formation of new groups.
- Since Caritas has far less credit funds available than its members demand, there is an in-built pressure among existing members against new group development.
- Within existing groups, the average number of members declines over time, due to drop out without replacement.
- All new groups are intended to complete a weekly training programme over a one year period, but for many this takes substantially longer.
- Group leaders must maintain many types of record and many of them lack the training or the time to do so.

Savings and credit

- As an input into strengthening its credit programme, Caritas staff undertook study tours of the activities of ASA, BRAC and Grameen Bank, which assisted in the production of improved management guidelines.
- Over the years, group members show similar trends in social differentiation as are present in broader rural society. The programme helps some to move out of poverty while others experience no real change.

- There is a consistent downward trend in the amounts saved by members.
- Credit disbursement is increasing rapidly in response to members' demand.
- Many primary group members consider procedures for loan approval too lengthy, costly and bureaucratic.
- Although the situation is said to be improving since previous evaluations, there is still a tendency for group leaders to obtain a disproportionate proportion of the credit money disbursed.
- For small loans (average Tk 2,700) for income-generating activities, the recovery rate is said to be more than 95 per cent, but for the larger housing loans repayment is very poor.
- Women use loans for traditional on-farm activities which are not very productive.
- Many males use loans for off-farm activities giving a better return.

Training

- The literacy programme has modest achievements, although many who have attended retain the socially valued ability to sign their name.
- The demand for skills training is far greater than the project can meet.
- There is little feedback or follow up of 'graduates' of the programmes and little is known of the impacts of the courses.
- Trained members rarely disseminate their skills to other members.

Federation structure

- Members concentrate on their own group activities, notably savings and credit, and are relatively uninterested in the Apex level.
- The sustainability of aggregated peoples' organisations is not a direct concern to the majority of the PG members' (p. 18).
- Apex leadership positions are dominated by relatively well-off males.
- Apex organisations are increasingly looking towards economic activities as their major emphasis.

Impacts and programme emphasis

- Many staff remain committed to the broad social objectives of Caritas, but it is clear that there is an increasing focus on economic aspects of the programme and some staff fear that Caritas may move in the same direction as many other NGOs and become virtually a rural bank.
- Whilst the programme reaches the landless poor target group, it does not reach the bottom 20 per cent who can be considered the 'core poor'.

- Women have proved a target group yielding good performance, whilst tribal people have not.

Social empowerment

- Members of new primary groups have relatively little knowledge of the Caritas social empowerment goals and neither staff nor members of other groups have time to educate them in these aspects.
- Although some group actions to express social or women's empowerment do occur, they are statistically rare compared with the number of groups.
- A few actions to gain access to government resources do occur.
- A few group members do stand for Union Parishad elections.

Women's empowerment

- women who have participated in groups for a long time have gained in mobility and self-confidence.
- The respect and participation of women in households increases with their participation in savings and credit activities.
- Where women contribute to household income in this way, they become part of the decision-making processes for expenditure.
- Caritas began a gender awareness programme for its staff in 1993, but little progress has been made in attitudes or employment levels.
- Although at Union level some 42 per cent of staff are females, almost half of these are volunteers working on a special women's programme.
- The higher up the hierarchy one goes, the fewer female staff are present.

Programme management

- The work load for an Associate Field Officer in new DEEDS areas varies from 35 to 90 primary groups, with an average of 42 groups.
- Caritas collects much data, but this is often not systematic or appropriate for management purposes.
- Caritas 'project management is therefore based more on general and individual perceptions than on systematic feedback from the field which should be the primary goal of a monitoring system' (p. 40).

7.3.5 Key findings for evaluation of poverty alleviation through NGOs

- Caritas has about 275,000 members, 52 per cent of whom are female.
- It began in East Pakistan in 1967.
- After early relief and rehabilitation programmes, it concentrated on helping raise rural productivity through technological innovations, disseminated through cooperatives.
- Although productivity was raised, the benefits were not mainly reaching the poor. Caritas then became a pioneer in the field of consciousness-raising and empowerment programmes, coupled with savings, credit and training.
- In principle, Caritas now has one programme with 43 elements, which can be made available to members groups on request.
- One of the core programmes, which receives substantial Netherlands assistance, is Development Extension and Education Services (DEEDS), which has been running since 1979 and now has about 100,000 members.
- There is a three tier institutional structure in the DEEDS programme. At the base are village level groups, whose chairpersons are members of the next level, the union committee. These committees are in turn represented on a than level committee, which is known as the apex body.
- Apex bodies receive five years of direct assistance from Caritas, after which they take control of their own assets and management, with Caritas phasing itself out into a support role.
- The field study found that several groups operating under ‘phased out’ apexes were found to suffer from a lack of confidence among members concerning their financial management. Loans were said to be unevenly distributed among members with a tendency to favour group leaders. Allegations of financial irregularities were also sometimes made.
- Group members, particularly those in leadership positions, receive substantial training, with an emphasis on institutional development.
- Skills centred training is also available, but not on a scale to meet the demands of all members who would like to receive it.
- Apex bodies have substantial financial responsibilities, which they find it difficult to fulfil.
- Furthermore, members have high expectations regarding credit and the apexes have insufficient funds to meet these.
- Members have received much training concerning the strength of their collective power. This had led to increased participation in political processes.
- Female members feel that they have gained social mobility and respect through participation in group activities.
- Women members are not optimistic about changing deep-rooted social customs and practices which discriminate against them.

- Caritas is seen by its members as adopting a humane approach to credit repayment, as well as charging a low interest rate.
- However, its procedures are seen as slow and to result in unequal distribution of the limited funds available. Caritas' intention to transfer responsibility to apex bodies is an ambitious one, and the majority of group members exhibit little direct concern in the sustainability of these bodies.
- The programme does not appear to reach the 'core poor'.
- Although Caritas has a high proportion of female staff, many of these are volunteers. The further up the management structure one goes, the smaller the proportion of female staff.

7.4 Shaw Unnayan

7.4.1 Background

Shaw Unnayan is a local NGO which has been operating in Rajshahi and neighbouring areas since 1979. During the late 1970s, a disease (lathyrism) spread throughout Rajshahi and surrounding areas. This disease was said to be related to consumption of a certain type of lentil, known locally as Khesari. Shaw Unnayan was the initiative of some local people and initially had the aim of reintegrating the disease-affected people into local society, through improving their physical and economic well-being. Shaw Unnayan started its programme in 23 thanas of Rajshahi, Chapai, Nawabganj, Natore and Kushtia, with support from a Swedish NGO. This project ended in 1982. Since then, Shaw Unnayan has been involved in many types of welfare and development activities and in 1989 it registered with the NGO Affairs Bureau. It is an active member of ADAB and a number of networks.

7.4.2 Programmes

Nowadays, the broader objective of Shaw Unnayan (SU) is to improve the socio-economic well-being of the people of Rajshahi district and the surrounding areas. Several categories of people are included in its target groups; notably landless and assetless men and women, children without access to formal schools and those affected by lathyrism and leprosy. Since 1993, SU has been running a leprosy centre in Rajshahi, with funding from Damian Foundation of Belgium amounting to some Tk 180,000 per annum. The Bangladeshi Government has subcontracted its non-formal primary education programme to fifteen NGOs. SU has been one of these since 1993 and the first phase of its involvement was completed in 1995. This had a target of 2,520 children receiving primary education and 2195 were actually reached. The second phase is now under way, with an expected



Small productive investments: woman in Sakhipur with her goats (Photo by Ron Giling/Lineair)

completion date in 1996. A further 1,820 children are expected to be reached and by September 1996 1,454 children were already attending 26 NFPE schools. For the two phases together, SU had a budget of Tk 5,250,000.

In 1993, SU implemented a family planning project with a budget of Tk 215,000 for the international NGO CARE. More recently it has constructed 200 houses for rural poor people in Lalpur area of Natore district, with a budget of Tk 2,658,000 provided by the Irish NGO, GOAL. SU also acts as one of the implementing agencies for the NGO Forum on Water Supply and Sanitation project in its area. Under this, it prepares and distributes pit latrines in Kharagbaria, Lalpur and Daulatpur, utilising a total budget of Tk 100,000.

SU is now implementing two integrated development projects, which focus particularly on income-generating projects and adult literacy. One of these is in Chapainabanganj, Natore and Kushtia and the other in Bagha. APHD is the financing organisation for the first of these, which has an annual budget of Tk 641,000. The Bagha IDP project started in 1994 with Cebemo funding, arranged with the assistance of the Caritas network.

7.4.3 Findings of the IOB evaluation case study

Area studied

Bagha is located 50 kilometres from Rajshahi district. Unlike in most of Bangladesh, there is very limited crop agriculture undertaken here and horticulture is the dominant form of economic activity. Other economic activities of importance include fishing and logging. There is also a small weaving community in Bagha. Overall, the economic status of the population in Bagha was observed to be somewhat better than that of the population of Tanore and Puthia areas of Rajshahi district, where studies were made of CCDB and Caritas field projects.

Aims and objectives of the project

The broad aim of the Bagha Integrated Development Project is to develop the socio economic position of poor and disadvantaged men and women through organisation building and service provision. People from Bagha thana whose families own less than 1 acre of land or who sell their labour for more than six months per year constitute the target group. Divorced and destitute people are given top priority. Cebemo funding has been provided for the period 1994–96, with a total budget of Tk 2,172,096. By the end of this project period, SU expects to have organised 3,600 members into 144 groups.

Project activities

SU has a two-tier organisational structure, with a head and project offices. It has altogether 23 staff. It is governed by a general council, which meets yearly and elects 11 members to constitute the executive body. The executive director (ED) is an ex-officio member of the executive body. Of the 11 head office staff, eight are male. Individual projects are run by Programme Coordinators, of whom there five, and there is one accountant in charge. Programme Coordinators usually share their time between head office and project officers. A separate training cell is headed by the training coordinator.

Bagha IDP has a total of 16 staff, supervised by the programme coordinator, assisted by one accountant and two field supervisors. These in turn monitor the performance of 12 group organisers, six of whom are women.

By the time of the fieldwork in June 1996, SU had formed 98 groups, 72 of which were for females and the rest for men. These groups had a total membership of 2,229. Total group savings amounted to Tk 448,644, while Tk 1,101,000 credit had been loaned to 1,026 clients.

The SU IDP approach begins with motivation training, group formation and adult literacy. Once formed, groups hold weekly meetings, which are mainly concerned with the credit and savings operation. Once a month, issue-based discussions are held for the purpose of awareness building. Members can also receive training on various topics as part of the capacity building. SU manages group savings as a Revolving Loan Fund and credits savers with bank interest. After a few months of membership, people become eligible for credit, after having saved a minimum of Tk 50. There is an annual project convention, which all members should attend. Following Caritas procedures, SU also federates its members at the union and thana levels.

Beneficiary groups and organisation

Six SU groups were studied. These were all formed between January and March 1995 and had a membership between 20 and 25. All six groups met and saved regularly. Members all saved Tk 5 per week and because of their good discipline in this respect, all groups had already saved more than Tk 7,000. It was also found that attendance at group meetings averaged over 85 per cent during the last year. Resolution books are kept, and showed that in the previous six months, group organisers had introduced a broad range of topics, including the importance of savings, procedures for credit delivery and recovery, vegetable gardening and the nutritious value of vegetables, saline solution preparation and use, mulberry tree planting methods, plant nurseries, horticulture, sanitation, women's rights and marriage without dowry.

Record keeping at the group level is simple and clear, with three types of information maintained. These are the resolution book, pass book and loan collection book. Members have a clear idea of their personal savings. Fieldworkers were locally recruited and this helped to establish a good relationship with their clients.

Benefits received

- Credit

The Revolving Loan Fund of SU is not large enough to allow it to provide credit to all group members at one time. Out of the average group membership of 23, between 13 and 15 members have so far received credit. Members pay 15 per cent interest of the initial balance. The first loan extended was Tk 1000 per member, for repayment over a one year period. Women who received training in apiculture or mulberry tree planting used a significant portion of their credit in these areas. Women in the weaving industry used much of their credit to purchase raw materials. Others invested in buying chicks for raising, and cattle or goat rearing. In more than half the cases, the husband or sons of the woman have utilised the savings, in such fields as petty trading, fruit and vegetable vending and logging.

- Training

Before forming groups in a potential work area, SU organises adult literacy training, following the Friends in Village Development Bangladesh (FIVDB) modules. All groups studied have completed a basic six month programme, and have basic numeracy and literacy skills. Leadership training has been given to group leaders of four of the six groups, members of two groups have been trained in apiculture and members of another two groups in mulberry planting and maintenance. A good number of members have also received informal training on vegetable gardening. The field organisers stated that they can also offer training in carpentry and food processing, but no members of the six groups studied have yet taken advantage of this. Training courses are provided by SU' s head office staff and take place at the Bagha project office.

- Other benefits

SU has made efforts to make other resources available to its clients. It has distributed seeds and saplings among its members through contacts established with the local government office. A few members of each group have been provided with pit latrines, provided under a project of the Dhaka-based NGO Forum for Drinking Water Supply and Sanitation. Besides its regular client contacts, SU has introduced the concept of an annual seminar involving the total community in its work area. This provides the opportunity for members

to exchange information on what they are doing with the local elite, teachers and staff of other NGOs. Through this means, SU gains access to new local resources, and gains greater interaction with its clients, other institutions and functionaries. Some members interviewed had participated in the event and said they enjoyed it very much. They shared experiences and were happy to show what they have achieved to the local elite. It increased their self-esteem. This appears an innovative approach to communicating with the local community. Complaints from local people about some of the larger NGOs that they either ignore or by-pass the local community may be mitigated through such initiatives.

Impacts of the programme and members' assessment

- Social impacts

From group discussions, it appeared that SU members have acted upon their new knowledge about nutritious vegetables. They stated that they have incorporated them in their diet or increased consumption of those already known. Clients also reported that they have their children immunised regularly. Many who previously used open toilets now have pit latrines, and the use of tubewell water for drinking has greatly increased.

After attending the adult literacy course, members can sign their names and are also inclined to put greater emphasis on their children's education. Many members stated that they had also learned about family planning.

Collective leasing of land or water bodies for group members has not been planned or attempted. Members do not think that their organisation gives them enough power to fight for legal or inheritance rights, or to attain a seat on a public body. Their membership is seen primarily as an avenue which will help them in their struggle towards economic well-being. As a side-effect, they are gaining knowledge on preventive health care, hygienic latrine use, being able to sign their names and other new practices.

Marriages in these communities are already mainly registered. SU has not made major efforts on women's rights or inheritance practices. However, such social practices as dowry, early marriage, and polygamy have been discussed at group meetings. Group members feel that they cannot do anything about these practices. The groups have never engaged in any broader social action and as such have not participated in any activity of mediation or arbitration on any social conflict which affected their fellow members' lives.

Most of the female clients stated that they enjoy participating in group activities. They feel that they have become better informed and are no longer ashamed to talk in front of strangers as they were before. At the family level, they feel that they have gained

immensely due to their participation in NGO activities. Their husbands and other family members now discuss family issues such as children's education with them. One member said that previously her husband thought that she would misuse credit. Now that she is a member of the savings and credit schemes, and is able to help him with cash inputs, he regularly gives her the money for the repayments. She felt this experience has helped develop a feeling of partnership which she has never found before in her marriage. Women who have utilised the credit themselves have become more independent. They feel happy that they do not have to ask their husbands for money for even the most basic items.

- Federation structure

SU follows the Caritas policy of federating groups into higher-level structures. It has already formed union level and thana level peoples' forums by selecting members from village groups. The union level committee has monthly meetings. However, so far group members do not have any clear idea about the value and purpose of these federating committees. According to one field supervisor these committees are particularly helpful in putting pressure on defaulters to repay loans. He cited two cases. In one case, the thana committee extended the time limit for a defaulter to pay off his loan as his crop was affected by natural disaster and in the other, the committee is pressurising the families of two group members who have left for India without clearing their debts, to do so.

- Economic benefits

Group members were positive about their association with SU. Some members pointed out that BRAC has been active in the area for some time. Although they had considered joining BRAC in order to gain access to credit, they did not like some aspects of its system. At that time, they were invited to join SU by its fieldworker and since then they have joined and become fully involved in its activities. Some parts of the project, such as the apiculture training, have been particularly useful. However, most groups cited the small amount of credit available as an issue causing dissatisfaction. They feel that since they do not misuse the credit for consumption purposes and repayment records are good, SU should make larger sums available. Access to further training oriented at productive activities would also be an advantage.

Relationships with other NGOs and Government

Grameen Bank (no longer formally an NGO) and BRAC are seen as the two major NGOs operating in Bagha. There is no regular formal coordination between these bodies. Each implements its own programme independently.

SU has made an effort to develop a healthy relationship with local government functionaries and the elected local members. The Union council chairperson was proud of SU activities in the area and said that they were bringing benefits to the area. He feels that if people's economic condition improves, this also helps the image of local politicians. He therefore cooperates with SU in any way possible. The SU coordinator said that he personally visits government offices to collect such inputs as saplings for the groups. In addition, SU takes the initiative to demonstrate its programmes to the local community, politicians and government functionaries through its annual seminar.

7.4.4 Findings of other studies of SU

No external studies of SU were used by the IOB evaluation.

7.4.5 Key findings for evaluation of poverty alleviation through NGOs

- SU is a small local NGO which operates in and around Rajshahi district and aims to improve the socio-economic well-being of its target groups among the poor.
- It began operating in 1979 and now has 7,500 group members, two thirds of whom are female.
- It is running an integrated development project in the Bagha area of Rajshahi district, with assistance from Cebemo.
- The approach begins with motivation training, group formation and adult literacy. Savings and credit are introduced in the next stage.
- SU aims to federate its groups into apex organisations at union and thana levels.
- Group discipline is good and savings regular.
- Fieldworkers are locally recruited, which helps them establish good relations with their clients.
- SU has insufficient funds to offer credit to all members at once, and the amount loaned is small, at Tk 1000 per member.
- Members were broadly positive about SU, but were dissatisfied with the small amounts of credit available.
- About half the women invested the credit in activities on their own behalf.
- Access to skills training, in addition to programmes currently available, was another desire of some members.
- SU holds an annual seminar, at which their clients are able to discuss their activities with a range of other community members. This innovation has proved popular with both the group members and the broader community.
- Women report improved confidence and a better position in the household as a result of participating in group activities and receiving credit.

- SU has taken active steps to relate to the local community and to government officers and elected members.
- SU is an example of the contribution which a well-managed and innovative local NGO can make to its beneficiaries and the community.

7.5 The Society for Social Service

7.5.1 Background

The Society for Social Service (SSS) is a local NGO of Tangail. It started its operation in 1986 and registered with the Social Welfare Department in 1987. Until 1989 it was involved in consciousness raising activities among its target population with no overseas financial support. In 1990, SSS registered itself with the NGO Affairs Bureau and began its credit and development programmes with the support of donor agencies. The aims and objectives of SSS are to:

- raise the standard of living of the disadvantaged, neglected and poorer sections of society and establish a peaceful and just society;
- raise the consciousness level of the poor by providing them with practical development oriented information;
- organise deprived classes by instilling in them collective spirit;
- raise the income level, create work opportunities and economic self-reliance by developing appropriate projects;
- raise the skill of the beneficiaries by imparting training, involving them in economic activities, improving their leadership capabilities and inculcating a development-oriented spirit among them;
- uphold children and women's rights and promote human values and family relations.

In order to achieve the above aims, SSS developed the strategy of organising the rural poor into groups and assisting them through imparting functional education, informing them about social, economic and environmental issues, helping them to gain access to primary health care, safe drinking water and sanitary toilet facilities and ensuring their access to continuous credit.

SSS is a medium-sized NGO, with 29,176 members (IOB questionnaire), of whom 98 per cent are female.

Donors

Since 1990 SSS has been supported by a number of donor agencies including APHD (Hong Kong), Canadian High Commission through Canada Fund, USC (Bangladesh),

Radda Barnen (Swedish Save the Children), Cebemo (Netherlands), AHPBAE (Sri Lanka); NGO Forum on Water and Sanitation (Bangladesh) and Palli Karma Sahayek Foundation (Bangladesh).

Target group

The target population of SSS activities are marginal farmers, agricultural wage labourers, blacksmiths, potters, weavers, housewives of poor families, divorced women, rickshaw pullers, petty traders and poor people who own less than 0.5 acres of land and who have to depend on their labour for at least six months a year.

Area covered

SSS activities are concentrated in the district of Tangail. Its area of operation covers the Tangail Sadar, Madhupur, Delduar, Kalihati, Ghatail, Bhuapur and Gopalpur thanas.

Management structure

The head office of SSS is located in Tangail town. It puts its programmes into operation from nine area offices. SSS altogether has 135 staff members. It is governed by a 27 member General Council and a 10 member executive committee, which set the guidelines of the organisation. The Director of SSS together with head office staff ensures implementation of programmes according to these guidelines.

7.5.2 Programmes

Currently SSS is involved in group formation and savings, fund creation, credit disbursement, a group life insurance scheme, rural health development programme (involving health education, supply of tubewells and sanitary latrines), training, social forestry and functional education programmes.

7.5.3 Findings of the IOB evaluation case study

Area studied

SSS works in 217 villages of 26 unions under 7 thanas. In Kalihati thana, 19 villages of Elenga union have been served by an integrated rural development programme (IRDP) since 1992, with funding from Cebemo.

Aims and objectives of the programme

The IRDP of SSS has the following major components: awareness building, functional education, savings and credit programme, life insurance scheme, rural health development, training and social forestry. The project has the following specific targets:

- to make 1500 group members literate through a functional education programme;
- to train 160 members in leadership, accounts and record maintenance, and planning through its training activities for self-reliance;
- to train seven project workers through basic and refresher courses to increase their social awareness and skills;
- to train sixty teachers in functional education;
- to provide credit to 1320 group members for income-generating activities;
- to provide loans to 400 members for kitchen gardening;
- to encourage group members to participate in social forestry;
- to provide safe drinking water to 60 member families;
- to provide hygienic latrines to 600 families.

Programme activities

In the Elega Area Office, thirteen staff members (9 male and 4 female) implement this project, namely a project supervisor, an accountant, a manager and ten field organisers, each of whom supports ten groups.

Like other NGOs in Bangladesh, SSS starts its grassroots level development programme with group formation. Each group should contain about 30 members. Providing functional education to the group members is the first major task that SSS workers undertake. The savings scheme also starts from the beginning of group formation. According to SSS policy every member has to save at least Tk 5 per week. There is no upper limit and individual members can save as much as they wish to. Group savings are managed by SSS. Members are not allowed to withdraw from the savings, but bank interest is added to the credit balance. SSS fieldworkers receive a payment according to the amount their groups save, which provides an incentive to encourage their members to save more. If a member decides to leave the organisation, the savings are paid back with interest up to the previous December. SSS's declared policy is that after ten years, half of the members' total savings will be handed over to the group.

SSS also runs a life insurance scheme for its members, for which every member must pay Tk 1 premium every week. If a member passes away her nominee will receive the sum of Tk 5000.

Beneficiary groups and organisation

SSS has been administering the IRDP since 1992. Up to June 1996 it had formed eighty groups under the project, with a total membership of 1060. In order to understand the nature of the SSS grassroots development programme, eight groups were studied.

Six of these groups were formed in 1994 and the other two in 1993. The membership of these groups varied from 25 to 30, except for one which had only 18 members. These groups meet weekly. From the resolution books it was found that all groups are regularly holding meetings. In these meetings, about 70 per cent of the total members are present. Although the SSS programme has other components, it mainly focuses on the credit operation. The motivational activities also emphasise the need for regular savings, credit utilization and recovery. Members themselves also view SSS mainly as a credit deliverer. They do not perceive any other major role of the group organisers. After probing, some members stated that once in a while group organisers discussed a range of other issues such as cleanliness, dowry and the environment. The savings of the eight groups totalled savings of Tk 135,541.

Benefits received by members

- Credit

Credit is the core programme of SSS. Its aim is to continuously provide credit to all of its members. In order to qualify for an SSS loan a person should be a group member, regularly attend group meetings, contribute to savings and insurance schemes, be able to sign her name, hold savings proportionate to the loan requested, abide by the rules and regulations of the organisation, have prior experience in the type of projects for which the loan money will be utilised and have a basic accounting knowledge of income and expenditure.

Most of the loans are borrowed for such activities as agriculture, cattle rearing, paddy husking, purchase of a rickshaw-van or for raw materials for handicrafts or petty trading. SSS charges 20 per cent interest on the initial balance of the loan. To become eligible for loan, a member's total savings should reach at least 10 per cent of the total amount which she wants to borrow. Repayment of the loan is made through weekly instalments.

- Training

Training is an important aspect of organisational development and SSS provides two types of training to its clients These are consciousness raising and leadership development.

Training courses are organised by the central training unit and conducted in the Elenga centre office. SSS does not provide any skill-centred training to its clients.

- Additional programme elements

SSS also runs a social forestry programme. Members are first given awareness training about the environment. SSS then sells saplings among the members. The other two programmes of SSS provide access to safe drinking water and hygienic latrines to the clients. SSS provides credit to its clients to purchase a tubewell and slab latrine. It makes Tk 450 available to each client as a loan to buy a slab latrine from SSS. This is a one year loan, on which the borrower pays Tk 50 as service charge. For tubewell purchase, Tk 2500 credit is given and again the loan should be paid within a year. The borrower has to pay Tk 250 as service charge.

Impacts of the SSS programme and members' assessment

- Social impacts

SSS does not provide any skill-centered training to its members. It has trained a few members from each group on leadership development and awareness building. It is expected that the members selected to receive the training will disseminate what they have learned among other members. Basic awareness training has been received by a total of 17 members from the eight groups. In addition, one member from each of two groups has received training on leadership. A member who attended the training courses stated that from them she learned the importance of savings, as well as such broader social issues as the significance of education, nature of differences between rich and poor people and problems caused by early marriage. After attending the training she feels much more confident and knowledgeable than before. Some members, however, could not say what they have learned from the training but claimed to have forgotten what they were told. Other group members who did not attend the training had little idea about what had been covered, which conveys the impression that little dissemination of knowledge has taken place.

Members of these groups did not generally place a high value on awareness training. Many of them stated that they would have preferred skill-centered training, particularly with regard to poultry and tailoring. They felt that such training could directly help them to increase their income.

In order to help improve living conditions, SSS made credit available to clients for the purchase of slab latrines and tubewells. But acceptance of this programme did not appear to be high during the field study. The groups studied have not taken the available loans.

The majority of their clients still use traditional exposed latrines. It was noted that the SSS fieldworkers mostly concentrated on savings and credit delivery. They did not do substantial motivational work on the use of hygienic latrines. No member was found who had taken a loan to install a tubewell. Members stated that although they did not personally own a tubewell they had access to safe drinking water.

As mentioned earlier, SSS workers mainly concentrate on the savings and credit program. Therefore, their clients are not greatly exposed to the various social programmes. They do have their children immunised and use safe drinking water and iodised salt. But they claim they have been doing these things for a long time. They further stated that from TV and radio they have come to know how to use iodised salt.

SSS has also made relatively little effort to make its members socially more active. They have not taken any meaningful initiative to ensure that clients gain access to government services. No members of SSS have participated in local electoral bodies or mobilised for wage increases, access to state resources such as khas land or ponds, or to tackle violations of women's rights. These issues have not been seen as important either by SSS workers or their clients. Members also never used their organization on any other work besides savings and credit. They did not participate in organising any dowry less marriage or stopping women's abuse by husband or in laws. In this area, it has been common for some time to register marriages. Groups have not worked as arbitrators or mediators among their members or other villagers. Nor do they feel that their organization can come to their assistance if they face any social injustice.

- Economic impacts

Credit is regarded by the clients of SSS as the most important service that it provides. It was found that some members of all the eight groups under study had received credit. But those members whose savings had not reached 10 per cent of the required credit amount by the time of disbursement did not qualify. Credit limits among the members varied. One group received credit three times. The first time the available credit range was from Tk 2000–4000. Five of its 30 members did not repay the loan and their membership was terminated. The rest of the group paid back their loans regularly. The second and third time group members received up to Tk 5000 loan. The lowest amount that a member received was Tk 2000. Another group had altogether 29 members, 16 of whom have received loans. This group has received loans only once. Members of the other five groups received loans twice. The highest amount of loan received by these groups was Tk 5000 and the lowest amount was Tk 2000. Members have used loans for such activities as poultry, paddy husking, small business and purchasing rickshaw vans.

Members of one group studied belong to a fishing community. Most of the members of this group passed the loan on to their husbands, who used it to buy fishing nets. This investment has immediately increased their family income. The members stated that their husbands have appreciated this very much. The women were happy because their involvement with SSS has increased the work efficiency of their husbands. However, some members from other groups have used the credit for consumption purposes, because they have no income to maintain their subsistence. Now they are facing difficulty in repaying the loan.

SSS's insurance programme has created some confusion. Members say that they were not properly briefed about the scheme. They claim that they were not made aware that they had to pay a premium regularly for their families to qualify for insurance after their death. Some members have not been paying the premium regularly. One group disintegrated over the issue of the insurance scheme after a member died. She had not paid her premium regularly and her family did not therefore receive the insurance money. The whole group was upset following SSS's decision not to pay the money and it gradually became inactive. Other groups also did not understand the insurance program. At the beginning, they were not aware that the premiums were non-refundable. Now that they understand this, some of them do not want to continue with the scheme. But if they withdraw, the money they have paid so far is not returned and they feel that it has been wasted. They find it difficult to understand this system. SSS runs this insurance scheme partly to generate working funds for itself. It is not mandatory, but the members stated that the way it was presented to them did not enable them to understand its implications. Almost every group expressed resentment about the insurance scheme.

SSS as a part of its social forestry project sold coconut plants for Tk 16 each to its clients. Buying of these plants from SSS was not mandatory for members. This project has generated some income for SSS as well as for the members.

Members assessment

SSS members appreciate that SSS has provided them with access to credit, which has reduced their economic hardship. Many of them feel that if they continue to get credit from SSS their economic condition will improve. But they said that they would appreciate it even more if the interest rate or the overall cost of credit could be lowered.

Along with credit members emphasised the need for skill-centered training. In many cases they said they themselves could not utilise the credit because investment through their traditional skills brings much less profit than when their male family members use it in mainstream economic activity. Since women are not skilled in any craft which will bring a good profit, they can only invest in paddy husking, *muree* (local snack) making or

poultry. To get better profit they needed to have training on poultry and other activities. So members expressed their interest in skill-centered training from SSS.

NGO staff assessment

SSS staff believe that they have achieved most of the targets set for the project. Up until June 1996, 98 groups, all of women (although the original target was to have 25 per cent male members) had been formed, with a total membership of 1860. Savings at this time amounted to Tk 1,180,300 and a total of Tk 9,943,500 had been made available in general loans, with a recovery rate said to be 99 per cent. SSS leaders reported that 2281 persons were reached through the functional education programme, which was much more than the original target of 1500. They have also attained the target of providing various types of training for 160 group members, 13 project workers have attended basic and refresher courses to increase their social awareness and skills and 60 teachers have been trained in functional education. SSS has distributed 181 tubewells among its group members and every year launches a tree plantation campaign in which it provides thousands of saplings at cost price to its members.

Government-NGO and NGO-NGO relations

According to the TNO of Tangail many NGOs operate there, including BURO Tangail, Proshika, Grameen and BRAC. He feels that in general no effective communication channel between the Government and the NGOs has emerged. In the monthly thana development committee meetings NGOs are invited, but many of them do not attend. He feels that a degree of mistrust and disbelief still exists between the Government and the NGOs. Instead of commenting upon the work of a particular NGO, the TNO expressed his concern about the overlapping of services, not only between Government and the NGOs, but also between the NGOs themselves. For example, major overlapping is occurring between the Government and NGOs in the primary education sector. But there is no effective mechanism for the thana education officer to address the problem. The NGOs involved in primary education do not have to operate via the local government office, but communicate directly with the central administration. Therefore, no effective coordination between Government and NGO programmes takes place. With regard to NGOs, major overlapping is taking place in the field of credit activities. Some people of the rural community have access to credit from many NGOs, while other poor people have no access to credit at all. Under the present operating system there is no way of coordinating NGO work. NGOs do provide a list of their work areas, but this is not effective because when several NGOs work in the same area, they claim to work with different clients. NGOs claim that there is always scope for more than one of them to work in an area.

The TNO stated that ADAB did not take effective steps to ensure for Government–NGO cooperation. In Tangail, ADAB organised a Government–NGO relationship workshop under the ADB technical assistance project. The recommendations of the meeting were supposed to be prepared and circulated to government offices, but after the meeting no follow up measures were taken by ADAB. He felt that these workshops take place because donors pay for them, but that deep down the mistrust remains.

7.5.4 Findings of other studies of the SSS

No external studies of SSS were used by the IOB evaluation.

7.5.5 Key findings for evaluation of poverty alleviation through the NGO sector

- SSS is a medium-sized local NGO which operates in the Tangail area.
- It has 29,176 members, of whom 98 per cent are female.
- It is involved in group formation and savings, credit disbursement, rural health development, training, social forestry and functional education.
- Since 1992, it has been running an Integrated Rural Development Programme with funding from Cebemo.
- Savings and educational activities begin immediately on group formation. SSS aims to provide credit to all members on a regular basis.
- Training is provided to selected group members on consciousness raising and leadership development, but does not seem to be well disseminated to other beneficiaries.
- Skills training is not provided, but would be valued by members.
- Although SSS has placed emphasis on sanitation and has loans for this purpose, its members have not yet shown great interest in this part of the programme.
- SSS has the resources to make loans of between Tk 2000 and Tk 5000 available to all of its members with reasonable regularity.
- Tangail is an area in which many NGOs are active, and coordination among them and with government is not yet effective.

8 Case studies of NGO partners of ICCO

Introduction

As a major component of the evaluation of the Netherlands assistance for poverty alleviation, a fieldwork assessment, based on case studies, was made of the activities of 15 NGOs participating in it, as partners of CFAs or of the RNE. Case studies of partners of ICCO are described in this Chapter. The NGOs studied were the Barisal Development Society (which was renamed as the Bangladesh Development Society during the course of the study), the Christian Commission for Development in Bangladesh (CCDB), Nijera Kori and the Rangpur Dinajpur Rural Service (RDRS).

8.1 Bangladesh Development Society

8.1.1 Background

Among the fifteen NGOs selected for the study, the BDS (at the time of the fieldwork, these initials stood for Barisal Development Society, but since then the organisation has received approval to name itself the Bangladesh Development Society) is perhaps the oldest. It was founded in 1964 and is now working in the Barisal, Faridpur, Madaripur and Gopalganj areas. BDS started its operation as a small initiative taken by a few Catholic church voluntary workers with philanthropic and welfare intentions. The broad aim of the organisation is to help the disadvantaged communities of Barisal and surrounding areas. During its early phases from 1964 to 1970, Barisal Development Society mainly undertook charity work with minority communities. It also managed a few schools which provided education to residents of economically depressed areas who could not go to formal schools.

In 1971, when the liberation war began, BDS took over the role of providing shelter to the minority Hindu community, mainly women. During the war a substantial section of this community also fled to neighbouring India as refugees. After Independence, when

these people came back from India, BDS organised a massive relief and construction programme to rehabilitate them. Over the years while continuing with relief work BDS started to get involved with development-related activities. It has since registered with the NGO Affairs Bureau and ADAB.

At present BDS's aim is to facilitate sustainable community development for the benefit of the poor. Its target population has all along been those 'who have been deprived and oppressed by the social system and thus cannot earn enough to maintain their bare minimum'. BDS has divided its target population into three categories, marginal and small farmers, landless wage earners and other low-income people.

8.1.2 Programmes

In 1994, BDS redesigned its Vision, Mission and Strategy to more accurately reflect its view of the role of NGOs in society. Under its newly defined Vision and Mission, BDS has identified eleven programmes, which are intended to provide a package for implementation through an Integrated Community Development Approach (ICDA) and which were developed through the ZOPP method.

The Vision, Mission and Programmes are as follows:

Vision: Integral sustainable community development for the benefit of the people.

Mission: To enable disadvantaged men and women to uplift themselves through economic cooperation, education and awareness.

Programmes: – Institution Building
– Revolving Loan
– Credit Union Promotion
– Human Resource Development
– Gender Relations and Development
– Child Education
– Adult Literacy
– Environment and Social Forestry
– Primary Health Care
– Water and Sanitation
– Disaster Preparedness and Management.

BDS is implementing three programme components with funding from ICCO, namely; Institution Building, Adult Literacy, and gender Relations and Development. The Credit Union Promotion Programme is being supported by the Rabobank Foundation. A Revolving Loan Programme is being implemented with existing BDS funds. Thus, five of

the ICDA programmes are currently under implementation and the other six have been submitted to the European Union for possible funding.

In addition at Lakhonda (Madaripur) a project called Integrated Community Development is being implemented with funds from Mani Tese '76, Italy. Another small project, covering Barisal Community Development, is being implemented with other external funding.

At the beginning of 1996, BDS had a total of 950 male and 4,035 female members.

The Institution Building Programme is the largest of BDS. The main objective of the programme is social and economic empowerment of the target groups. The programme started in 1992, with ICCO funding. Its first phase lasted from July 1992 to June 1995. From July 1995 BDS has begun its second phase. It is due to end in June 1998. Group formation, savings, training, credit and income generation are the major components of this project. Under this project BDS plans to form 750 cooperatives with 15,000 people in four project areas. The total budget of the project for the second phase is Tk 21,523,555.

The credit union promotion programme is BDS's second largest project. It completed its first phase in June 1995 and thereafter moved into its second phase. The total budget for the second phase is Tk 10,313,856. Rabobank Foundation of the Netherlands has funded this project. Both ICCO and Rabobank have visited the projects they fund on a roughly annual basis. Project reports are also submitted on a quarterly or half-yearly basis, in addition to the organisation's Annual Report. Some 83 per cent of BDS's international funds come from the two Dutch sources.

The credit union promotion programme of BDS is a rural activity which encourages people to save. The savings are rotated among the clients. At the end of each year the interest is shared by the savers. In the first phase BDS formed 52 such credit unions over its eight project areas. The aim of the second phase is to help the savers continue with the project and gradually train them in the necessary skills to run it on their own.

The gender relations and development programme of BDS is a training programme which aims to reduce inequality among men and women through raising people's consciousness. The target of this training programme is not only the group members but also the 89 BDS staff. This is a one-year project with a total budget of Tk 1,665,302.

Barisal Development Project and Lakhonda Community Development Project are both rural development projects, with similar components and goals to those of the ICDA. In the urban areas of Barisal, the Institution Building Programme is being implemented, while the Lakhonda Community Development Project works only in Lakhonda Union.

The Lakhonda project is being funded for three years by Mani Tesi '76. The total budget of this project is Tk 8,466,108 and that of Barisal Community Development project is Tk 312,500.

8.1.3 Findings of the IOB evaluation case study

Area studied

The study team mainly looked into the ICCO-funded Integrated Community Development Approach (ICDA) of BDS. As mentioned earlier, this entered its second phase of implementation in all its eight project areas (Barisal Sadar, Bakerjonj, Banaripara, Wazirpur, Agailjhara, Kotalipara, Razoir and Baiful) in July 1995.

Aims and objectives of the project

The specific objectives of ICDA are to create opportunities for socio-economic empowerment, to reduce social injustice and unequal conditions, control the dowry system, illegal divorce, polygamy, early marriage and women's oppression. The project also aims to ensure better health conditions and to control ecological imbalances. To realise these goals, the strategy that BDS has applied is to organise peoples' cooperatives, provide skill-centred and awareness-raising training and bring its target groups into income-generating activities through access to credit.

Project activities

BDS has a three-tier organisational structure, the head office, sub-centre office and community centre. The head office, located in Barisal sadar, is staffed by twenty-two workers. Various field-level offices known as sub-centres have a total of 32 staff. The field staff who implement the project at the grassroots are based at the sub-centres. At present BDS altogether has thirty five fieldworkers. Of the total staff of 89 only 9 are women.

The administrative arm of BDS consists of the director of the organisation, deputy director, four project managers, one staff in-charge and the accounts officer. The director runs the organisation according to the policy guidelines developed by the governing body. An evaluation undertaken in 1993 (with ICCO support) recommended that BDS should develop service rules and clearly laid out job descriptions for all its workers. The organisation has already made some progress towards implementing these recommendations.

In order to understand the impact of BDS's project on its target group, two of its project areas were studied. These were Agoiljhara and Baufal. Each sub-centre office has one animator, one office assistant, one programme organiser for adult literacy, one supervisor

for Credit Unions, four community organisers (COs), five adult literacy teachers and two caretakers. Adult literacy teachers are part time staff, who are selected from the villages where the adult literacy training is provided. Their contracts are terminated once a particular group has completed its course.

Each sub-centre office has accommodation for its staff and a big training hall. These premises are BDS's own property. Some of the field sites are quite far from the sub-centre office. In those cases BDS has a community centre at the union level. The community centres are used both as offices and as the community organiser's accommodation. According to the programme design, proposals for all activities are initiated at the field level and final approval is given by central office. The animator is responsible for overall programme implementation in his area. He monitors the performance of the COs, the adult literacy teachers and other field staff. However, decision making within BDS was found to be rather centralised.

There is a difference between the first and the second phase of ICDA. In the first phase BDS did not implement any credit programme within it. The field organisers formed groups and provided them with adult literacy training, held monthly discussions on social oppression, exploitation, dowry, gender relations and other socio-political issues. The organiser also explained how forming groups can help people unite and prevent some of the exploitative relationships and practices. The field organisers also made the people aware of preventive health care. All of these areas remain part of the awareness building programme of BDS. Members were encouraged to save, with the groups themselves managing the savings. Individual members by rotation can take a loan from the fund. In the second phase, BDS introduced credit as one of the components of its overall ICDA. The fieldworkers have taken over the responsibility of managing the savings. Group savings became a part of the Revolving Loan Fund and members are given interest on their savings.

Beneficiary groups

Eight groups were studied. Two of these eight groups were formed in 1990, two more in 1991, one in 1992 and three in 1995. Although some groups were formed in 1990 and 1991 BDS centre office could not provide information pertaining to their savings, credit and training. It was only from July 1995 that the centre began to maintain information on these matters. The groups which were formed in 1990 had the lowest number of members (10). The majority of the groups had a membership of between 15 and 20. Only one group had more than this, with 22 members.

Benefits received

- Background

It was found that a number of clients of the Institution Building Programme were also members of the credit union project. They stated that through membership of the credit union they gained access to savings and sometimes credit, while the community development programme gave access to more benefits than just finance. Members stated that they joined a BDS group because they wanted to join such activities as the adult literacy course and skill-centred training.

Groups which were formed before 1995, could not provide any record of their activities until July 1995. Members stated that the activities with which they were involved prior to 1995 were not systematic. Their meetings and savings were not regular. However, some members did receive training and every now and then the field organisers held discussions on such topics as health, sanitation and nutrition. Through their group they did not gain any access to credit, but as some of them were also members of credit unions, they received credit from that source. From July 1995 detailed records were maintained. It was found that both the early groups and the ones which were formed in 1995 are now meeting regularly, with attendance varying from 65 to 80 per cent. Information on savings is also available from 1995. This showed that all of the 8 groups studied are saving regularly.

- Credit

All of the eight groups studied have received credit from BDS. This was the first credit they had received. Not all members of each group had received credit. Eighty per cent of the members from each group had received Tk 1000 as a first loan. The stated interest rate of BDS's loan is 12 per cent on the diminishing balance. This interest rate is comparable, for example, to that charged by CARITAS. However, CARITAS does not keep the group savings, so that the actual interest rate is the same as the stated interest rate. BDS itself keeps the group savings. Therefore the actual interest rate is approximately 2 per cent higher than the stated interest rate at around 14 per cent.

This is the first time BDS has provided loans through its ICDA project. The earlier concept of credit union loans was different from that in the new project, since under that system the members' own money could be used for whatever purpose they wanted.

A majority of BDS clients are women who do not work outside of their homes. In most cases their loans are utilised by the male members of their families. It was found that the few women who are directly involved in income-generating activities are the ones without any adult male member in their families.

- Training

Training is an important part of the BDS development process. One member from each of five different groups has received training on poultry rearing and poultry vaccination. One member each from four groups has had training on health care and immunisation. Five members from different groups have received leadership training. One member from each of the eight groups has been trained on gender relations and development. An important observation about the training is that most courses are given to group leaders. For example, the Secretary of one group had received training on poultry, leadership and gender relations and women's development. The leader of another group had received all four training opportunities provided to her group. BDS management has indicated that it is the members themselves who select their leaders to receive training, since they regard them as having the highest capacity to receive information and pass it on to them. The general members receive awareness building through participation in various group meetings and activities.

The adult literacy course was currently active in those groups which were formed in 1995. BDS was following FIVDB's module to impart adult literacy to its clients. In order to optimise the benefits from the course, non-members were also allowed to attend them. Sessions of three such courses were attended by the study team. In general the quality of the course was found to be good. A few members attending these courses had some background in schooling.

- Other benefits (from past and present projects)

In Agoiljhara BDS is well known. It established and for many years managed the Bara Maghra primary school there. A few years ago the school received government affiliation. In Munshipara an old landowner's house along with three huge ponds was distributed by BDS among 53 local landless families. But for more than ten years, the intended beneficiaries could not settle on the land due to lack of capital with which to build houses. With permission from the Government, BDS built 53 houses there. This was done from the relief fund. It established facilities for safe drinking water and pit latrines for every household. BDS had also built a primary school in the area in collaboration with another NGO named World Vision. BDS has formed groups among the settlers and provided them with credit for a fisheries project in the ponds.

In Patihar BDS also established a school which was later handed over to the Government. Currently the organisation runs two schools in Agoiljhara, one at Patihar and the other at Munshipara. This is done in collaboration with World Vision. World Vision provides funding and curricula material and BDS is involved in day to day operation. Service

quality is controlled by World Vision through evaluation and monitoring. As well as running schools BDS has distributed tubewells and pit latrines in Agoiljhara.

Impacts of the project

- Social impacts

Members stated that they have gained considerable knowledge about health-related issues. Before, most of them defecated in open latrines and their children in open spaces. But all that has changed for them, and now they discourage their children from using open space and BDS has helped them materially to replace their exposed latrines with pit latrines. The two groups from Patihar stated that BDS has helped them to secure safe drinking water close to their homes.

When asked how they had benefited from their membership of BDS, some group members put education as the major gain. BDS had managed schools and provided their children with education. They all emphasised the high quality of the BDS schools.

Some group members stated that they now appreciate the strength of unity. A fellow feeling has emerged among them and they can appreciate each others' problems better. Members now come to each other's help when need arises.

As mentioned earlier, BDS does not provide very much training for developing technical skills. Some members attended training on poultry, but they did not find this very useful. Among the groups vaccination of poultry was not common. Many members do not use government services to vaccinate their chickens. It was not only in case of poultry that they were hesitant to make use of government services. They did not feel that their affiliation with the NGO had anything to do with their ability to access services available in the locality. Most of the groups stated a preference for BDS to provide them with a health care service by establishing a hospital. BDS management has indicated that it tries to influence its members to use government services, but that these are absent from several of its operating areas.

None of the group members claimed to have participated in local politics, or in collective efforts such as leasing of land or a pond or any activities such as mobilisation against abuse and violations of human and women's rights. To the clients BDS was perceived as a service deliverer not as a facilitator for accessing services which are already available. It should be mentioned here that this attitude was created by the style of BDS operation. It always tries to provide services such as tubewells and latrines free of charge. This has created a relief mentality among its clients, rather than helping them develop their own skills.

Some members mentioned that group organisers also talked about dowry, early marriage, wife abuse and polygamy. BDS has both Moslem and Hindu members. The practice of polygamy does not exist among the Hindu communities. Dowry is an integral part of Hindu marriage. None of the eight groups had taken any initiative for marriage without dowry. Moreover, marriages were still not registered. In the Hindu community divorce is not religiously sanctioned, and therefore these group members were not much concerned with the issue of illegal divorce. However, women members particularly felt that their status in the family has improved since their involvement in group activities. Their husbands treat them with more respect and members themselves feel much more confident.

- Economic benefits

Under a group credit programme with the goal of poverty alleviation, it becomes important to monitor whether or not the clients are utilising the money for a productive venture. When asked what they had done with the money, less than half stated that they had invested in business or used it in buying agricultural inputs. The rest of the members felt that the amount of credit provided by BDS was so low that they could not use it for a productive purpose. For example, in one area studied, BDS clients belong to a potters' community. For their profession they need Tk 10,000 to 15,000 to buy the necessary material for preparing pottery. Moreover, their credit need is seasonal. As they do not get the credit when they need it, they cannot use it productively. According to the members, every year, at the beginning of pottery making season, they take a loan from local money lenders at a high interest rate. As there is no other option available they must agree to the terms that money lenders set. After a few months when they produce their goods, the moneylenders take a significant proportion of the produce against their loan and interest. Therefore, the potters cannot come out of the vicious circle and they remain poor and in debt. For them BDS credit serves to help buy essential commodities at hard times, without going to the moneylender again. They suggested that, if BDS really wants to help them it will have to provide much larger loans and at the beginning of their pottery season. Similarly, many clients in another community stated that much of their credit is used for consumption. The members stated that during the lean season when they do not have work they have to borrow and the BDS credit is available at low interest to meet this need. For its part, BDS management feels unable to establish small-scale entrepreneurship programmes because of its limited funding and lack of experts in that sector.

The areas where BDS works inundate during the monsoon season. During that time local people go through a lot of hardship. Almost all members were of the opinion that if BDS wants to change their socio-economic condition, then it should create employment opportunities for them during that lean season. They further believe that traditional credit programmes will not work for them as they have little scope for investment and many of

them therefore spend their credit money on consumption. The members are eager to learn skills which can bring them income. Some stated that lean-season employment could help them, whereas credit alone will not.

Inter-NGO and NGO–government relations

In both the BDS project areas many other NGOs are operating. In Baufal Grameen Bank, CARITAS and ASA are working. The project officer in charge of Baufal took a personal initiative to develop relationships with the workers of these NGOs. When BDS started its credit operation in which it did not have much experience, he met the ASA unit manager and exchanged ideas. Now BDS follows ASA's reporting system in its credit programme. In Agoiljhara 31 NGOs are working, 12 of which receive overseas funding. A major problem which the NGOs of Agoiljhara faced is rivalry among them about work areas. A few years ago a formal coordinating forum emerged in Agoiljhara. Twenty three NGOs have become members of this coordination committee and BDS was one of its founding members. At a recent meeting a problem of overlapping was reported between Bangla German Sampreeti (BGS) and BDS. BGS objected to BDS's expansion in work in Munshibari since it is already working in that area. A settlement was arrived at, that BDS will only expand in those areas where BGS has not formed groups. In general it was found that BDS kept contact with many NGOs of the area. However, it was felt that although top-level leaders had this awareness that overlapping of NGO membership is often not beneficial, grassroots level workers were not that much concerned about the problem. In Baramagra, group members of BDS were found to be members of CCDB, CHCP and Proshika. In Patihar, while attending a meeting of Grameen Bank group, it was found that eight of their members are also BDS members. This finding was contrary to the opinion of the Grameen Bank project manager of Baufal. He thought that the economic state of Grameen Bank members is much higher than that of other local people, so he did not think they would become members of an NGO, which can only provide small loans. If BDS wants to avoid overlapping, it will need to develop a proper client monitoring system. The organisation's management states that it is now beginning to operate such a system.

BDS takes its own initiatives to develop relationships with government bodies in the project areas studied. It sends a representative to the monthly meeting of thana development coordination committees. During the Government's immunisation drive, 'health for everyone day', international women's day, when the Thana Nirbahi Officer (TNO) asks for their support they bring their group members to the rallies. The TNO of Agoiljhara stated that BDS staff every now and then take an initiative to keep in touch with government offices. The education officer stated that BDS had at times approached them for accreditation of its schools. Government officers stated that they were often invited by

BDS to visit their programmes. However, the officers felt that more effective coordination among the Government and the NGO programmes was needed for poverty alleviation. The TNO of Agoiljhara stated that there was a major problem of overlapping among the services of the 31 NGOs in the area, but that he had no mechanism to monitor such overlapping. With respect to education he alleged that many NGOs were opening schools in close vicinity to government schools. The thana education officer had not received any information about the number and location of NGO schools. Therefore, it appears that there is a major gap in Government–NGO coordination in this area.

8.1.4 Findings of other studies of BDS

No external studies of BDS were used by the IOB evaluation.

8.1.5 Key findings for evaluation of poverty alleviation through NGOs

- BDS is a small NGO which works in the Barisal, Faridpur, Madaripur and Gopalganj areas.
- It has 4985 members, 80 per cent of whom are female.
- It was founded in 1964 and in its early years undertook welfare and educational projects.
- Over time, BDS moved into the field of sustainable community development and in 1994 it produced a new vision, mission and strategy based on an Integrated Community Development Approach (ICDA).
- ICCO is funding its largest activity, the Institution Building programme, which forms part of the ICDA. This began in 1992 and is now in its second phase. It aims to form 750 cooperatives with 15,000 members.
- The project aims to organise peoples' cooperatives, provide skill-centred and awareness-raising training and bring its target groups into income-generating activities through access to credit.
- Since credit only became available in the second phase of the programme, groups have only received such assistance once and the relatively small amount of Tk 1000.
- Very few women have been able to use the money themselves and most have passed it on to male family members for income-generating purposes.
- Less than half the households used credit money for productive purposes. The rest felt that the amount was too small for this and used it for consumption.
- Members in some communities indicated that they have no work to do in the agricultural slack season and that employment creation would therefore be more beneficial than credit.
- Both skills and awareness building training have been provided, but group leaders have been the main participants.



The first step in raising the socio-economic status of rural poor: organising them in cohesive groups (Photo by Sean Sprague/Linear)

- Adult literacy training is actively pursued and well-delivered.
- Members have gained from training on health related issues and sanitation practices have improved.
- Clients see BDS more as a direct provider of services than as a facilitator of access to those provided by government.
- Although female members do not feel that they can influence fundamental practices such as dowry, they say that participation in the programme has made them more confident and that their husbands treat them with more respect.
- There are 31 NGOs operating in this area and overlapping of membership and services is a problem.
- BDS staff take active measures to cooperate with other NGOs in the area.
- BDS staff also cooperate actively with local government initiatives and also invite officials to visit their programme activities.

8.2 The Christian Commission for Development in Bangladesh

8.2.1 Background

CCDB began its work in refugee camps in India during the liberation struggle for the Independence of Bangladesh. After Independence, it moved into the country, operating under the umbrella of the National Council of Churches and thereby affiliated to the World Council of Churches. At this time, there were few large NGOs operating in the country and the churches, with their international connections, spent large amounts of money on relief and rehabilitation work. CCDB at this time had more than 40 expatriate staff, thought necessary to facilitate the process of effectively utilising the vast amounts of money made available for disbursement within a very short period.

After the initial relief stage, attention turned to how to move towards development. Between 1973 and 1978 CCDB concentrated on programmes through newly created co-operatives, mostly mono-sectoral and based on the concept of technological improvement as the key to development. Major increases in food production were achieved, but co-operatives were taken over by the local elite and marginal farmers lost their land as larger landowners sought to maximise their opportunities from available cash and technology.

By the mid-1970s, CCDB began to move away from its initial approach and embraced approaches based on community development. Group formation became the key to capacity building, access to savings and credit schemes, educational, health and other benefits. Up until 1979, CCDB primarily focused on male beneficiaries. In the early eighties as a result of a review of its own experience, coupled with discussions with the World Council of Churches and its associated organisations, emphasis moved rapidly towards female beneficiaries. Males were as far as possible still involved in programmes since the empowerment of women was seen as requiring the enlightenment and participation of men.

Although CCDB places much emphasis on the social aspects of its programmes it can be seen that, as with many other NGOs, savings and credit are in disbursement terms its core activities. Mid-1995 the Savings and Credit Programme covered 46,000 households in 8 districts ('An Impact Study on CCDB-Savings Credit Program', CCDB, 1995). There were 36 field offices serving 1,387 samities (societies), which encompassed 7,089 savings groups. More than Tk 158 million were committed in the Programme fund.

8.2.2 Programmes

CCDB tries to work with local organisations in the implementation of many of its programmes, since it has substantial financial resources and would be over-stretched to effectively utilise them all with its own staff. CCDB has tried to work through a process of continuous dialogue with its beneficiaries. This was not seen as an overall success and in 1991, CCDB therefore tried to bring together those elements of dialogue seen as effective into a systematic approach known as the Peoples' Participatory Process (PPP). Key aspects of this process are seen as reflection on the past, focus on the present and development approaches for the future. Although CCDB donors place much emphasis on the importance of participation, the PPP concept did not fit easily into their funding systems. Initially, the major barrier was seen as the fact that there was no longer to be a pre-defined project, since in each locality this was to emerge from the deliberations of the local organisations in cooperation with the CCDB field staff. Eventually, the approach was formalised into the Peoples' Participatory Rural Development Programme (PPRDP), which commenced in 1992. It took time for staff to internalise the new approach.

In addition, CCDB also implements six 'special programmes'. These are:

- the Community Based Calamity Preparedness Programme, which attempts to strengthen community capacity in coastal regions vulnerable to natural disasters to prepare for and cope with them;
- Women's Small Local Organisations programme to provide support to strengthen their capacity;
- Local Initiative Support Actions, aiming to promote literacy and non-formal education;
- Disaster Preparedness Programme aiming to raise capacity of communities to face natural disasters;
- the Traditional Birth Attendant programme, which aims to reduce infant and maternal mortality rates through improving the skills and knowledge of TBAs;
- The Chimbuk Rehabilitation Project, which targets ethnic minorities inhabiting this area.

As at June 1995 (Annual Reflection 1994–5, CCDB), the PPRDP covered 11 geographical areas, including 782 villages, 78 unions and 19 thanas. It had 46,479 beneficiaries (including 37,369 women), organised into 1392 groups (including 1,116 female groups). These groups sent representatives to a higher-level body, the Samity Representatives' Forum (SRF), of which 232 had been formed, which in turn sent representatives to 53 higher-level Peoples' Forums. Participants undertook various training courses to raise their capacity to participate in this process. Some 28,000 people, mostly executive committee members of SRFs, had received such training. The programme was facilitated by 292 male and 63 female CCDB staff. The six special programmes reached about 17,400

beneficiaries in addition to those of PPRDP, giving an approximate total of about 64,000 direct beneficiaries.

Although officially simply one component of the PPRDP, savings and credit clearly continues to play a major role in the CCDB activities. Under PPRDP, by 30th June 1995, Tk 50 million had been saved, with Tk 5 million in samity funds. During the same period, 39,000 people had received credit, averaging Tk 4000, with a total of Tk 221 million loan outstanding. It is notable that out of the total fund disbursement of the PPRDP of Tk 259,140,978, a total of Tk 207,663,140 had been utilised for 'income-generation and capital formation' purposes. In other words, 80 per cent of the funds are being utilised by the credit element of the programme. It can therefore be seen that, although the PPRDP is seen by CCDB and its donors as somewhat of a 'high risk' innovation, it is in fact underpinned by a relatively conventional and well-established credit programme.

ICCO has been involved with CCDB since its inception period in Bangladesh. All of CCDB's donors are Christian organisations and it has no plan to change this approach. Where bilateral funds are received, for example from British Overseas Development Administration, or the Netherlands Ministry of Foreign Affairs, they are channelled through Christian bodies such as Christian Aid and ICCO. CCDB would prefer to keep its main funding relationships with its traditional partners, with whom it has built up a long-term relationship through shared experiences. Funding from direct sources such as Embassies is not excluded as a possibility, but would require a change in its approach to development. In trying to access funding, CCDB begins with a philosophy and then tries to develop a programme to see how it might work. Only then does it try to find financial backing from the members of its donor community. Since 1980, it has worked with a donors' Round Table including ICCO, EZE and Christian Aid. This enabled the various donors to compromise on acceptable accounting and reporting strategies. Within the Round Table, particular projects tend to be financed by individual donors, since they prefer to support something with which they can be clearly identified.

CCDB regards its donors as efficient organisations and believes that the fact that they receive substantial support from their own Governments supports this view. However, compared with Government funding organisations, CCDB sees its donors as more flexible and willing to consider new approaches. CCDB feels that It was because of its long-standing relations with such donors as ICCO, that it was able to obtain funding for its innovative approach of Peoples' Participatory Planning.

8.2.3 Findings of the IOB evaluation case study

Area Studied

Fieldwork with CCDB was conducted in Rajshahi, which was one of the first areas in which CCDB began its work. CCDB's Rajshahi zone is divided into four project offices. The Tanore project office, situated 40 kilometres north of Rajshahi Sadar, was selected for the study. This office has two distinctive features. Firstly, it is headed by a female project manager and secondly, one fourth of its target groups are composed of people of 'tribal' origin. The area itself is agriculturally poor and is therefore likely to yield less tangible increases in prosperity of the local groups than are areas of the country with a richer natural resource base.

CCDB has been working in Tanore area since 1974, which makes it the longest serving of the total of 15 NGOs operating in the area. Initially CCDB began its operation here through an agricultural development programme. In order to boost agricultural production it distributed modern agricultural equipment such as tractors, power tillers and shallow water pumps among the community on a non-repayable basis. CCDB's agricultural officers/extension workers were engaged in motivating farmers to grow high-yielding varieties of crops. All of these activities, according to CCDB officials, resulted in an increase in food production in the area. However, a few years later CCDB realised that this approach which was targeted towards the total community was mainly benefiting rich farmers, without having any discernible impact on the poorer sections of the community. On the contrary, their efforts were helping the process of landlessness in the area. Such a situation led CCDB to refocus its attention from a community approach to a target group approach. Instead of stressing the increase of agricultural output, CCDB started organising landless and assetless people into groups for poverty alleviation programmes. The Project Manager of Tanore felt that although in the second phase their target population was the rural poor, CCDB's overall attitude towards its clients remained relief-oriented. During this phase CCDB distributed wheat, cattle, building materials and corrugated iron sheets among the poor as relief. Over time CCDB realised that this relief work was not alleviating poverty in a sustainable manner. Although it eased the immediate sufferings of the people, they could not retain the ownership of the assets provided. During periods of distress people were forced to sell or mortgage them and the process of impoverishment continued. The area was then brought under the Savings and Credit Programme, which became the most substantial element (at least in terms of disbursements) of CCDB's activities.

Aims and objectives of the programme

In June 1995 CCDB brought the Tanore Office under its People's Participatory Rural Development Programme (PPRDP). This phase will continue until June 1998. The objective of this phase is to develop peoples organisations which will be designed, managed and monitored by the clients themselves. The ultimate aim of this phase, therefore, is to enable these people to take charge of their own development initiatives. In order to achieve this goal, the CCDB strategy is to organise people into groups and to federate these groups at various levels. There are three tiers of organisation of the rural poor developed by CCDB. These are grassroots level groups, village-level committees and union-level federations.

Programme activities

CCDB's work in an area begins with motivational discussions intended to raise people's awareness of their potential, after which group formation takes place. It is the group members who should decide their future course of action, the type of activities in which they would like to involve themselves and the type of training programmes they need. Programmes that are often undertaken include livestock, fisheries, horticulture and environmental management. Group savings become mandatory as soon as a group is formed. Each member contributes Tk 5 per week to group savings. In the previous phase group savings were maintained by the groups themselves but, perhaps paradoxically, under the new PPRDP phase the Community Organiser (CO) will collect the group savings and the money will be maintained by the project office. The groups will receive bank interest on their savings. According to some CCDB Community Organisers, group members were in some ways better off under the previous arrangement when savings were kept with the groups, because members could then borrow from their own savings and therefore had to take less loan with interest. But it was found that in this process the clients did not save regularly, and influential members of groups, instead of depositing the money in banks, personally spent the savings and on occasions embezzled them altogether. Moreover, it was also found that although group members returned the CCDB loan they are not always regular in returning the amount that they borrowed from their own savings. Therefore, the amount of group savings was always smaller than it should have been. For the above reasons, CCDB changed its policy and brought group funds under its own management. After a year of saving a group becomes eligible to receive loans, which are provided to individual members. A person can borrow four times his/her personal savings. Loans should be paid back with 12 per cent interest in weekly instalments. Weekly repayment is a recent innovation for CCDB, designed to bring it in line with competing NGOs and secure a higher repayment rate. Some loans are still outstanding from a previous system, where clients could take seasonal loans for repayment after harvest.

Beneficiary groups and organisation

CCDB promotes the idea of group federation. The primary groups are federated first at the village level under a village committee. Village committees then send representatives to form a union-level federation. This union-level federation is known as Samity (or Society) Representative's Forum (SRF). The union-level federating body is composed of two member representatives of each village committee. This body approves loan proposals for groups under the union. The issues and problems which cannot be addressed and solved at the group or village committee levels can be taken up to the SRF. Each SRF has its own funds. Every month group members contribute Tk 2 to the SRF fund. In addition, CCDB also provides an annual grant to each SRF. Twenty five per cent of the money is allotted for social and cultural events (such as observance of the language martyrs day, Independence day, victory day, international labour day, WHO immunisation day and international women's day). The remaining 75 per cent of the fund is provided to SRF to undertake socio-economic development activity among its group members. SRF allocates money from this fund to individual members. In order to qualify an individual group member has to apply for a project (such as safe drinking water supply or a pit latrine) through his/her group. The group concerned usually recommends projects submitted by the most needy members. The application is processed through village and union committees. The ultimate decision for project approval and disbursement of funds lies with the SRF. To secure a loan, the individual group member must provide 25 per cent of the project cost. The highest federating body of CCDB is known as the People's Forum (PF). Representatives from three to four SRFs constitute one PF. A People's Forum is currently an informal body with no special powers or resources within the system. Its primary function is to review the overall performance of the SRFs and to stimulate them to address important issues facing them and their members.

In Tanore CCDB has mobilised 3266 clients (1106 male and 2160 female) comprising 108 groups. The average group size is 30. So far 16 SRFs and 4 People's Forums have been formed in Tanore. The total savings of these groups amounts to Tk 2,381,974. In the fiscal year 1995-96 under PPRDP programme Tk 5,500,200 has been disbursed as credit.

There are 22 staff members (16 males and 6 females) in the CCDB Tanore project. Tanore Office is headed by a Project Manager. She is assisted by two persons in the accounts section, one functional analyst, one credit officer, one administrative assistant, four ancillary staff and 12 Community Organisers (COs), who are directly involved in group activities. Most of the Tanore staff have a long association with CCDB and some of them have been working for the organisation for the last 15 years. The Project Manager has been with the organisation for two and a half years and is an able and efficient

manager. The workers are generally dedicated. The accounts of the project office are well-maintained and up to date. However, staff were still adjusting to the requirements of a new participatory monitoring framework.

Eight groups were studied. Four were for women, two were mixed, one for men and the last a small businessmen's group. Of the eight groups studied two were formed by indigenous tribal members. These were mixed groups of males and females. Six of the eight groups were formed between 1986 and 1990 and two in 1992. Although all of these groups are now known as PPRDP groups, they were in fact all originally formed before this programme was brought to the area. In addition, one village committee and one SRF were studied, both of which have been in operation since 1995 and are therefore component parts of the new participatory planning approach. The average size of a group is thirty. Five of the groups have regular meetings, while the other three are irregular. The average attendance of the groups which meet regularly is 80 per cent. These groups maintain their resolution books properly. From the books it was found that issues covered in recent meetings included savings and credit, as well as explanations by the CO of the new rules and regulations framed by CCDB and its members.

Benefits received by members

- Loans

All members of all groups visited have received loans from CCDB. Members of some of the long-standing groups have received loans as many as fourteen times. Almost all members have invested their loan in agriculture, but a few mentioned other activities such as opening a grocery store. Very few of the women members invested in poultry. Since most of them are members of the Hindu faith, they place an emphasis on keeping their homes clean and regard poultry keeping as incompatible with this. Their credit money has mostly been invested in agriculture by the male members of their families. Indigenous tribal people do not take much credit. The highest amount of loan taken by a tribal member was Tk 2000, as against Tk 7000 by non-tribal members. In all groups, including the ones in which meetings are not held regularly, there have been 1 or 2 members who have received social project funds from their respective SRF. In most cases the money was invested in sinking tubewells or construction of pit latrines.

The group organisers stated that the groups which do not meet regularly tend to be those in loan default. People in this area depend solely on agriculture for their livelihood. There are not many off farm activities available. Last year (1995) crop production suffered badly because of cyclone, tornado, and floods. All these badly affected loan repayments. The groups expect to be active again after the next harvest when they will be in a position to

pay back their loans. The study team found that only 2 to 3 members of each group were not in a position to pay back loans. Others, although in a position to do so, were not keen on repaying, since unless the whole group clears its debt they as individuals would not qualify for fresh loans. This raises a serious issue. Many NGOs claim that credit is only one of the components of their overall programmes. But if all group activities cease when loans have not been repaid, then it would appear that credit is in fact the only activity which members take seriously. This suggests that the PPRDP concept is likely to find substantial difficulties in gaining acceptance at field level. CCDB has indicated that its own more extensive research shows that members have a broader range of reasons for participating in the programme and in particular, that they prefer the 'human face' of the organisation to the more 'bank-like' approach of some other NGOs.

Loan defaulting has not been the problem only of the eight groups studied. At the time of the fieldwork, in the Tanore project area CCDB had yet to recover 60 per cent of the loans that were disbursed last season. Clients provide their own explanation for the increase in the number of CCDB defaulters. During the last two years two major NGOs, BRAC and ASA, have started operations in the area. A number of CCDB clients also became members of BRAC and/or ASA and have taken a loan from either or both of these NGOs. Both BRAC and ASA recover their loans in weekly instalments which start just fifteen days after disbursement. In contrast to this system, CCDB has until recently provided its agricultural loans on a seasonal basis, with repayment taken once only after six months. Clients stated that it becomes difficult for them to service 2 or 3 loans at the same time and in this process repayment of the CCDB loan goes into default, because it is due only after six months. In response to this situation, CCDB changed its recovery schedule recently and switched to weekly repayment. This is said to have substantially improved the recovery rate. Needless to say, the majority of its clients expressed a preference for the previous arrangement of one time repayment.

It is therefore clear from the above that 'overlapping' membership of several NGOs has been a major problem for CCDB in Tanore area. It is notable that all forty members of one CCDB group have also become ASA members. Most of the CCDB members in another village studied have joined BRAC. The Project manager of CCDB reported that when BRAC began its operation it asked CCDB to provide a list of its clients to avoid duplication and CCDB complied. Later to its surprise, CCDB management found that grassroots-level workers of BRAC had apparently used the CCDB list in recruiting their new clients. CCDB members also took action against the malpractices of the BRAC staff concerned. Following this experience CCDB has stopped providing its members list to other NGOs. Earlier, CCDB also had an overlap problem with CARITAS. When CARITAS launched its IHDP programme in Tanore, a number of CCDB members were recruited. CCDB took up the matter with CARITAS management. An agreement was

reached and accordingly CARITAS withdrew its operation from the five unions where CCDB was working.

- Training

It was found that members of the groups under study have received various types of training from CCDB. These include leadership, forestry, environment, women and development and group management. CCDB's skill-centered training includes poultry raising, cattle rearing, agriculture, horticulture, kitchen gardening, organic fertilizer preparation, sewing, bamboo and cane handicrafts and other topics. These courses are usually held at the Tanore Project Office and have a duration of between two and five days. Although CCDB lays high emphasis on training and spends a good sum in this sector, it appears that its training programmes have some inherent weaknesses. CCDB wants to develop in each group cadres of members who have received specialized training. With this aim in mind, it provides all poultry-related training to the 'poultry cadre', horticulture-related training to the 'horticulture cadre' from each group and so forth. For example, one member from the Kamarga group has undertaken three short courses in agriculture, each of three days duration. Another has attended health training on two occasions and a third has twice attended women's development training. It was found that under this system some individuals have attended as many as ten training courses. CCDB feels that these cadres within each group will disseminate their skills and knowledge to other group members. But it appears from the field investigation and from an Impact Study released by CCDB itself (see 'Findings of Other Studies on CCDB Activities' later in this case study), that very little such dissemination has actually taken place.

In fact, from the group discussions and individual interviews undertaken, it appeared that in none of the groups studied had the trained cadres taken any meaningful initiative to disseminate what they have learnt. The COs also did not encourage them to do so. The ordinary members expressed the feeling that it was only a few of their number who repeatedly enjoy the opportunity of getting trained and are later able to derive financial and other benefits associated with being able to use this training for their own individual advantage. CCDB has itself noted some deficiencies in its training system and has taken a number of measures to rectify them, including: strengthening its Human and Organisational Potential Enhancement Programme and further development of the People's Training Centres in some PPRDP areas.

Formation of federations

The study team looked at the activities of one Society Representative Forum, which began functioning in 1993. This SRF meets twice a month and has a high attendance record.

Almost all the component units send their representatives to their federation meetings. A major activity of the federation is observance of important historic days. The federations invite the local elite and government functionaries to these programmes. They believe that these events provide them with an opportunity to explain to outsiders what CCDB is doing and that this enhances the image of the organisation. Another important function of the federation is to persuade the defaulting groups to pay off their overdue loans.

Last year the SRF built itself an office. The building was financed largely from the non-refundable social project fund of the SRF. Accounts are properly maintained in the federation office. In the last fiscal year SRF earned Tk 2000 from members' subscriptions and CCDB provided Tk 35,000. As well as putting some of the money towards the cost of its office, SRF has distributed the input from CCDB in the form of matching grants for projects undertaken by various groups, including road repairs, tree plantations, sanitary latrines and tubewell installation.

Impacts of the CCDB programmes and members' assessment

- Background

CCDB has been active in Rajshahi region for many years. For a significant period it was involved in the distribution of relief goods on a non-repayable basis. During the group meetings and individual interview sessions many clients seemed to be mostly concerned with how they could continue to get things free from CCDB. For example CCDB's programme of providing 75 per cent of the cost for projects, while members must bear the remaining 25 per cent, is not well received by some members, who want these things to be given 'free' as before. In this context CCDB has to accomplish a daunting task. The organisation's efforts must be geared towards transforming the clients' relief mentality into one of self-reliance so that its clients perceive CCDB not as a conduit for the distribution of free goods and services but as a catalyst helping its clients to undertake their own activities. CCDB itself has indicated that its approach has always been one which concentrates on humanity rather than recovery rates and that the elimination of suffering should come before the survival and sustainability of the organisation. It recognises that this stance faces increasing difficulties as 'harder' NGOs compete for the same group members by offering additional credit opportunities.

- Social impacts

In the case of literacy programmes, it was found that a good number of CCDB clients, especially males, had some previous educational background, including some with secondary- and higher-schools degrees. Those who did not attend school have learned to sign their names through group activities.

Members of all groups reported that their school-aged children are all enrolled in schools. When they were asked what led them to put their children in school, they reported that for years there has been from various quarters, including the NGOs, strong advocacy for them to enrol their children. They were finally convinced by these messages, as well as by the perception that the cost of education has become more affordable in recent years.

In Tanore area CCDB has had a major impact with respect to safe drinking water and increased use of pit latrines. At an earlier stage of its work in Tanore CCDB was involved in installation of deep and shallow tubewells to address the water problems of the area. This helped people in improving their access to safe drinking water. Except for the two Santhal groups, members of all groups reported that they have access to safe drinking water. The Santhal groups stated that they still face a shortage of safe drinking water and would like NGOs to help them gain access to such water.

Except for the Santhal groups, most of the CCDB client households used pit latrines. Members reported that CCDB has provided them with access to pit latrines under two programmes, one under the NGO Forum for Sanitation and the other under CCDB's own social development programme. Under both the schemes CCDB met about 75 per cent of the cost of the pit latrines, with the rest as beneficiary contribution. The two groups of the Santhal community were yet to come under such a programme. Most of them still use open areas for defecation and a few have traditional kutchha (exposed) toilets.

It was found that compared to ASA and BRAC, CCDB clients were less informed on matters related to preventive health care. Although immunisation of children against the six deadly diseases is practised by the members, they do not hold regular discussions on basic hygiene and health care measures, unlike members of BRAC groups. Further, they do not regard practices such as washing hands before meals and after visiting toilet and keeping food covered as of much importance to them.

In Tanore CCDB has been working with the Santhal tribal community for a long time. It is one of the few NGOs which has devoted substantial attention to such minority groups, who pose particular difficulties in stimulating development opportunities. It was found that CCDB could not make any major headway in improving the lives of its Santhal members. Every now and then members receive relief support and they appreciate CCDB for that. CCDB has tried to bring them under its Adult Literacy Programme, but the groups did not respond. They are also not interested in the credit programme. They stated that they have little scope for investment. They would have preferred it if CCDB were able to create work opportunities for them. Due to the lack of employment locally, members of these groups seasonally migrate to other regions, which makes contributing to group

savings difficult for them. It appears that the standard CCDB programmes are not geared to the specific lifestyle of the Santhals. CCDB would need to develop special projects for them if it really wants to address the socio-economic problems they face.

Apart from the two tribal groups, members of all the other six groups stated that they regularly use the services of the state livestock, poultry and local agricultural offices. From field investigation it was seen that CCDB actively encourages its members to use these services. As a part of its environmental awareness programme CCDB encourages its clients to grow vegetables, plants and trees. CCDB's Tanore office itself has a rich variety of plants and trees and this has a demonstration effect on its clients. Although the soil is poor in this area, many of the CCDB members try to grow vegetables at home. One group member expressed her desire to plant grape vines at her home after seeing them at CCDB office.

No incident was reported by the groups studied in which they tried to establish their rights. The members of the SRF also could not mention any event in which they protested against women's oppression, dowry, polygamy or any other practices thought to be socially harmful. Tanore is recognised by CCDB as one of its most difficult areas in which to stimulate progress in these areas, but its own studies indicate that some changes have taken place. Nor had any campaigns for an increase in local wage rates been mounted by either the groups or the SRF. The SRF is primarily seen as the organisation which performs the role of allocating resources under its social development project to the various groups.

With regard to government resources which may be made available to groups of poor people, none of the groups interviewed have participated in any attempt to gain land rights, such as collectively leasing government land, water-bodies or market places.

CCDB has provided women's development training to one member of each group. These members have achieved a degree of awareness about such issues as dowry, polygamy, divorce and alimony. The leaders of one of the groups studied were found to be very vocal concerning women's rights. The secretary, who received the women's empowerment training, stated that from the training she has learned that second marriage by a man, without the consent of the first wife, is not permitted under the law. She also understands the need for registering marriages to protect women's interests. She also learnt that domestic violence against women is a punishable crime and that verbal divorce is not valid under law. However, the study team found that she had taken little initiative to disseminate her knowledge among the other group members. They did not show any interest in these issues and also did not participate in the discussions. This also indicates the lack of follow-up initiatives by those attending the training programmes of CCDB. Furthermore,

the CCDB training programmes have had little success in encouraging group members to press for change in local practices affecting women's rights. Registration of marriage was found to be still uncommon among the members. Early marriage and payment of dowry remain prevalent. Members understand the ill effects of these practices, but feel that it is beyond their means to prevent them. They also do not anticipate that in future their umbrella organisation, the SRF, can take a role in changing these practices. None of the groups stated any incident in which they had participated in solving problems regarding polygamy, alimony, wife abuse or verbal divorce.

The majority of members of all groups except one (Moslem) belonged to Hindu, Christian or animistic faiths. For Hindu members dowry remains the major difficulty facing women, while desertion, polygamy and divorce are not prevalent problems. Under Hindu personal law women do not enjoy the right of inheritance. When they were asked whether this was discriminatory to them or they felt any need to change such laws the respondents stated that they have not thought about such issues. In case of Muslim clients, none of the female members mentioned that they had exercised their rights to inheritance. In general it was found that local social values were very much against respecting women's rights in this respect. This was in fact found to be true in all the areas covered under the study.

Clients interviewed reported that CCDB organised awareness campaigns for people to participate in elections. This has made them more conscious about the importance of exercising their voting rights. Women members especially mentioned that, now that they have understood the significance of their votes, they regularly vote in elections. However, they did not feel that it might be possible that to place their own candidates for such positions, in order to make such electoral bodies more receptive to their needs. They also did not have any concept that one of their members might be elected by using their organisational network.

It was found that although CCDB mostly provides credit to female members, this is mainly used by their male partners. It rarely created any meaningful employment opportunity for the female clients. However, members of all female groups felt that their status in the family has increased because they are the conduit of credit disbursed by CCDB. They stated that their husbands now treat them as more important household members than before. Members from two women's groups stated that their male partners now consider their opinion when deciding how to invest the credit. Members from another group also noted that in the case of children's education and assessing medical needs, husbands now pay heed to their opinions. One woman said that her CCDB membership changed her status in the household. She had an abusive mother in law who used to ill treat her. But now after getting involved in income-generating activities her in laws think twice before mistreating her. Most of the female members feel that their husbands treat

them with more respect than before. They consider these changes as a major development in their personal relationships.

- Economic impact

It was difficult to see the economic impact of CCDB's work on its clients on the basis of the groups studied. Although some of them have been associated with CCDB for many years, few members stated that the income received from CCDB has enabled any upward mobility in their economic position. Similarly, few reported any improvement in the condition of their homestead since joining a CCDB group. CCDB's own records indicate that such changes do take place among its broader membership. Nor did the members participating in this study report any significant improvement in their asset base and few felt that over the years their dependence on local money lenders has reduced in any significant way. Increasing homestead or arable land size through income from NGO sources was beyond the comprehension of the members. Change in land holdings as a result of participation in NGO programmes was rarely found even among members of the most economically-oriented credit-based NGOs.

Tanore is located in the Barind tract. Agriculture is currently the only available occupation for the people. CCDB's credit programme is of great importance to its clients. With CCDB's support clients are somehow able to maintain their livelihood, which otherwise would have been very difficult for many of them. All clients emphasised the positive role that CCDB's credit and other support schemes play in their lives.

There are obvious reasons for not seeing any upward economic mobility among CCDB clients in Tanore, where people are mainly involved in small-scale agricultural activity. In fact, there is virtually no off farm activity in the locality. Therefore, almost all clients have invested their credit in crop agriculture. Tanore is located in Barind tract. The quality of soil there is very poor. This is accompanied by acute shortage of water for irrigation. Moreover, according to the members, excessive use of underground water by deep tubewells has depleted the groundwater level over the years. This has further reduced the soil quality. Under these circumstances, members say that their agricultural production level is steadily decreasing. Furthermore, Tanore is an area in which only one crop per year is possible. As a result, for at least six months a year people do not have any other employment or income sources. Therefore, they have a hard time surviving and maintaining, not to mention improving, their economic status. The clients emphasised that CCDB credit and social development projects are of great importance to them. CCDB's support has enabled them to maintain their livelihood, which otherwise would have been very difficult for a number of them.

Assessment by the clients

Most of the members emphasised the important benefits the CCDB programmes have brought them. For many of them household survival has at times depended on CCDB support. But members also greatly emphasised the need for employment creation. They stressed that for at least six months in a year they have practically nothing to do, notably during the monsoon. During this period they can barely maintain their livelihood. Under such circumstances, members stated that if CCDB is really committed to alleviate their sufferings, it should think of ways of creating additional employment opportunities. Members of two women's groups from the same village stated that they would benefit immensely if CCDB were to establish a handicraft training and marketing centre in Tanore. Women members of all the groups made the point that since there is hardly any scope for them to invest CCDB credit by themselves, they simply hand it over to their male partners. Their partners in turn can only invest in agriculture, which has a very low return. Therefore alternative employment opportunities were seen as of paramount importance by all of the groups. Members of the businessmen's group, however, did not ask for employment creation. They expressed a desire for skills-based training which could increase their work efficiency. For example, a member stated that he sold veterinary medicines in the market place and that he could only increase his income if he were provided with basic training on veterinary medicine.

Members of three groups specifically mentioned that they prefer CCDB to other NGOs which are new to the area because they have to pay less interest on CCDB loans. For many years, CCDB's repayment practices were also 'softer' than those of other NGOs. The loans that CCDB provided were seasonal and they repaid the loan with interest after six months. Now due to loan default problems, CCDB has followed other NGOs and also started a weekly repayment system. Not surprisingly, members of all the groups studied preferred the previous arrangement. During group meetings and interviews they emphasised that they would greatly appreciate it if CCDB could return to the previous arrangement. In fact, members of one women's group were not repaying their previous loan because they were still trying to convince the CCDB staff to return to the previous method. This was the major demand from all the groups.

Members were quite sceptical of CCDB's policy of giving training to one member per group and maintained that the policy is not attaining its intended results. For example, members of two women's groups raise poultry. They stated that they do not vaccinate their chicks on a regular basis and that disease and death of chickens and ducks is therefore common. When the members were asked what they had learned from their member who has received training in poultry raising, they stated that she has offered little assistance. In a different case, members of the businessmen's group, who mostly work in a market,

have been given training on poultry, fisheries and agriculture, which was of no use since they do not practise these activities. They saw the courses as a waste of time. They would have preferred training on issues directly related to their trade. A number of members stated that CCDB's training should be more need-based and profession oriented.

With regard to the training on tree plantation, members mentioned that they understand that CCDB is genuinely committed to the cause of social forestry and therefore train them in tree plantation. But the training course on tree plantation is a standard programme which is provided in all CCDB locations and the techniques advocated cannot be applied in Tanore due to its poor soil condition. They suggested that CCDB should rather give training on those plants which can be grown in their area. In other words, they want to receive training which has been adjusted to local conditions, rather than the pointless presentation of centrally-prepared material which cannot be applied.

Members further stated that programmes designed to raise health awareness need to be supported by practical demonstration.

Inter-NGO and Government-NGO relations

In Tanore 12 other NGOs, as well as CCDB, are working. The major national NGOs such as BRAC, Grameen Bank, ASA and CARITAS are all present in the area. Beside these, the small and medium NGOs which are present include the Adventist Development and Relief Agency, Association for Community Development, Live and Learn, Shechashabi Bahumukhi Women's Shamaj Kallyan Shangstha (Voluntary Multipurpose Social Welfare Association), Natun Shamaj (New Society) and Garib Unnoyon (Poor People's Development). The major government-sponsored credit programmes are BRDB and the Youth Development Programme.

During the time of fieldwork no formal coordination mechanisms operated among the NGOs working in Tanore. Of course, the top-level officers of these NGOs interact with each other informally. The project manager stated that sometime NGOs invite the head of the local office of other NGOs to formal occasions, such international women's day and human rights day. She however regretted that there has not yet emerged any forum where representatives of all NGOs working in the area could meet on a regular basis and ensure a healthy inter-NGO relationship. She felt that the attitude of the grassroots workers of different NGOs was very competitive.

As might be expected from the above, a major problem in Tanore is the overlapping of NGO services among clients. CCDB pointed out it has been working in the Tanore area since 1978 as were some small NGOs with local projects. In the early days, this did not

create any major problem of overlapping. But over the years several big NGOs started an operation in Tanore. ASA is the latest entrant. In Tanore region there are many remote areas which are yet to be covered by CCDB. The major NGOs could have taken the initiative of working in those areas. But instead they began to work in CCDB's existing area of operation. Moreover, sometimes they have taken exactly the same group of people in a village who were already members of CCDB.

With regard to Government–NGO relations in Tanore the TNO stated that his office invites the NGOs to its monthly development meetings. So far, the issue of coordination of NGO work has not figured prominently in these meetings. Small NGOs have sometimes complained that they face problems in keeping their clients because the large ones take them away. In such situations the TNO usually requests the NGOs to coordinate their activities and he has warned them unless the big NGOs are careful in recruiting clients, they will have a bad effect on the overall situation of credit recovery. There have already been many instances in which a large NGO has given membership to existing clients of small NGOs, and this has led to the failure of these clients to repay their existing loans. If the trend continues clients will get into the habit of frequently changing their membership and as a result the overall credit recovery system will suffer. This practice encourages irresponsible behaviour among members. The TNO mentioned that CCDB once registered a complaint about BRAC setting up a school just beside the CCDB SRF office. A copy of the complaint was sent to BRAC. The TNO called a meeting of the parties. Before the formal meeting BRAC settled the matter mutually with CCDB and withdrew the school from the site.

The TNO also stated that his office seeks NGO support in attaining government targets in such areas as mass education, family planning, immunisation and agricultural demonstrations. For example, once the TNO took the initiative to encourage all Tanore thana residents to obtain basic literacy. He asked many NGOs to each take responsibility for a village and he provided them with necessary materials. A CCDB official stated that under this programme, they took the responsibility for 18 units of Mohor village and organised adult literacy course for six months, which enabled 375 women to become literate. Government provided the books, but CCDB bore all other costs such as the salary of teachers, school space, light, blackboard and chalk. CCDB local management feels that the Tanore TNO has been dynamic in coordinating government programmes with the NGOs. During the vaccination drive the TNO asked the NGOs to deliver the vaccines from the thana office to various union-based vaccination centres.

CCDB also mentioned that on national occasions the TNO office sometimes ask them for nominal financial contributions and they comply with this type of request. In response, CCDB always invites the TNO to inaugurate workshops, training or relief programmes.

CCDB has also solicited the support of the TNO in its loan recovery drive. The TNO made appeals to defaulting members to pay off their debts so that development initiatives could continue.

8.2.4 Findings of other studies on CCDB activities

In late 1995, several studies of CCDB activities appeared. Two reports cover the Savings and Credit Programme. One of these is entitled 'An Impact Study', whilst the other is called 'Evaluation, Part B: Participatory and Qualitative Methods'. Despite the different titles, it would appear that the two studies are related. The Impact Study, although inclined to draw conclusions which cannot be demonstrated from the data presented, does contain much useful basic information. Some points of relevance to the evaluation include the following:

- The steady flow of credit from CCDB enabled many households to increase the area of land (mostly not owned by them) under cultivation.
- On the basis of asset ownership, 39 per cent of the households reached by the programme were considered 'poor', 14 per cent not 'poor' but still vulnerable to economic crises, and 47 per cent were 'non-poor' in the sense of having enough assets to cope with most situations they might face.
- On the basis of annual income, between 34 and 39 per cent of the households were considered poor, 40 to 48 per cent were 'mid-income' and 18 to 22 per cent were considered 'rich'.
- The impact of the programme varied sharply from area to area, depending on the opportunities available to combine household assets with credit to create productive activities.
- Household savings deposited in society accounts of the Savings and Credit Programme averaged 41 per cent of their total accumulated savings.
- Among the total households, some 19 per cent also took loans from other sources.
- The average size of loan disbursed at one time was Tk 3659.
- Of those taking a loan, 27 per cent said they used the money themselves and 63 per cent that they managed the funds in association with other family members.
- For 45 per cent of the total households, the income earned by using the CCDB credit accounted for than half of the total family income.
- With regard to training: 17 per cent of those who had attended a course retained a 'high level' of knowledge, 46 per cent a 'low' level and 37 per cent 'could not recollect anything' of the content.
- Of those who had attended a course, 4 per cent 'could maintain a high level of application of their knowledge/skills learned', 37 per cent 'could apply only marginally' and the rest not at all.

- Membership drop out appeared to be some 18 per cent, mainly for reasons associated with delayed loan repayment.
- Women felt that they had gained self-respect, access to new economic opportunities and a greater say in household decision making as a result of participating in the CCDB credit programme.
- CCDB members were well aware of credit programmes of other organisations, notably Grameen Bank and BRAC. These organisations, compared with CCDB, were seen to offer the advantage of ‘repayment of loan in small amount and in short interval’.

The Impact Study made a number of interesting recommendations. Notably:

- CCDB should abolish its system of short-, mid- and long-term loans and allow all borrowers to negotiate a loan which they can afford to repay over a reasonable period through weekly instalments.
- CCDB should show some leniency over late repayments up to the end of each month, at least during the first year of the loan.
- The introduction of the PPRDP has given conflicting priorities for staff, which have had an unfavourable impact on loan repayments. In order for CCDB to compete effectively with other credit providers, the savings and credit programme should be managed under a separate administration.
- An effective staff appraisal and reward system should be introduced.
- Samity leaders should have a financial incentive to ensure timely credit repayment.
- CCDB needs to develop and maintain a separate group of specialist trainers and provide follow-up services to trainees in order to improve the effectiveness of its training programmes.

It appears that the findings of the participatory evaluation have been largely incorporated into the Impact Study. However, one additional recommendation based on this research relates to the findings of the IOB case study. This concerns the competition between NGOs. The report notes that ‘As other NGOs are operating at a weekly or monthly instalment basis, the credit overlapping situation causes considerable credit obstruction for the CCDB’s Savings and Credit Programme’. The report therefore recommends (p. 31) ‘that the various NGOs working in the same locality should cooperate and collaborate to find a suitable solution. Initiative can be taken through ADAB to sit with other NGOs and take unanimous decision in this regard’.

In November 1995, CCDB also released its Annual Reflection 1994–95. In its summary, this provides the salutary observation that ‘CCDB realized during this period that their Savings and Credit Program is the main reason for people to stay or to join the CCDB’s samities. However, in itself it is not ‘the panacea’ to all the ills of underdevelopment and poverty. The program is considered as an ‘entry-point’ for any other interventions. The

organization tried to combine it with other facilitative measures like training programs for human development potential' (p. 11).

8.2.5 Key findings for evaluation of poverty alleviation through NGOs

- CCDB began its work during the Independence struggle with relief and rehabilitation activities.
- It is now a big NGO and its programmes reach about 64,000 direct beneficiaries, 80 per cent of whom are women.
- Between 1973 and 1978, its programmes concentrated on introducing technological improvements through cooperatives. Major increases in food production were achieved, but the rural elite took over the benefits and many marginal farmers were made landless.
- After this experience, CCDB concentrated on group formation for capacity building, access to savings and credit schemes, educational, health and other benefits.
- In the early 1980s, the emphasis moved rapidly from male to female members.
- In 1992, CCDB began its current PPRDP as its core activity. The ultimate aim of this programme is to help people develop organisations which will enable them to take charge of their own development initiatives. Although it is a comprehensive package, 80 per cent of its funds are used on credit activities.
- Member groups are served by village level committees, which are represented on union-level federations.
- Under PPRDP, CCDB reversed its previous credit management practice and gave financial management to its own community organisers. It found that the previous system of group managed funds allowed financial irregularities.
- CCDB has also moved from a seasonal loan system to one which requires weekly repayments, bringing it into line with other NGOs offering credit in its operating areas.
- Members have received loans regularly from CCDB under the current and previous programmes. Most of the credit has been invested by male household members in agriculture.
- Tribal people have not taken much advantage of the credit programme.
- Overlapping membership of NGOs in the area studied has given CCDB problems in loan recovery.
- Much training has been given, both in institutional and skills training areas. However, this is given to selected 'cadres' of group members and dissemination has been very limited.
- The same holds true for women's empowerment training.
- CCDB has a substantial impact in the area on health and sanitation practices, except among the tribal community.
- Women feel that they have gained improved status in the household and that they are

more aware of their importance in political processes, notably exercising their right to vote.

- The area studied is poor in resources and members feel that CCDB's economic assistance enables them to survive, rather than promoting any upward mobility.
- Although many NGOs are active in the area studied, there is no formal coordination mechanism between them and overlapping membership is a problem.
- NGOs do attend the monthly development meetings organised by local government and CCDB cooperates actively with government programmes.

8.3 Nijera Kori

8.3.1 Background

Nijera Kori (NK) is a well-known activist NGO in Bangladesh. After the famine of 1974 many destitute rural women made their way to the cities in search of food and work. Some urban professional women took the initiative of training some of these women in food processing activities, from which they were able to generate income. The process gradually resulted in the development of an organisation, Nijera Kori. Nijera Kori means 'we do it ourselves'. At its inception, therefore, famine-affected urban destitute women constituted the target group of Nijera Kori and the aim of the organisation was to rehabilitate these women.

During this period, the early concentration of mainstream NGOs in Bangladesh on rural social mobilisation to combat the power structure brought a strong backlash from the rural elite, particularly during the period of martial law. This was one of the reasons why there was a general move away from these aspects and towards concentration on credit. This concentration allowed professionalisation of NGOs and increased measurement of achievements. However, it also pushed out of the leading NGOs a number of people who felt that consciousness raising of the poor held the key to combating the core problems of rural society. NK with its current form and focus was formed by a group of such people who had started at field level and who felt that the increasingly service-based approach of NGOs would simply create dependency among the clients. In 1981, this group took over the name and registration of the earlier urban-focused Nijera Kori, which was by this time virtually defunct.

The new leadership brought about a complete change in the focus of the organisation. It now began to concentrate on addressing the situation which causes poverty and destitution of rural people rather than on ameliorating the suffering of those who had fled such circumstances. The organisational objective of Nijera Kori therefore shifted to the struggle

to create a society free from oppression and deprivation through the establishment of the fundamental rights of people. In order to achieve this goal, the strategy that NK developed is to make people conscious of their rights and to assist them to develop the collective strength necessary to establish those rights. Under this goal the target group of NK also expanded from its original concentration. Along with women, men from similar socio-economic backgrounds were also included. Now NK defines its target group broadly as those men and women who earn their living through physical labour. Its geographical concentration has also changed, with an emphasis on rural rather than urban areas. NK registered with the NGO Affairs Bureau in 1991 and is a member of ADAB and a number of networks.

8.3.2 Programmes

The organisation now has 102,469 members of whom about half are females. It has a head office staff of 39 and 284 fieldworkers, of whom about one third are females. Its main current programme is the Rural Development Programme, which operates in 17 districts and has a budget of Tk 93 million. Its partner in the Netherlands is ICCO.

The Rural Development Programme concentrates on organisational development, empowerment, awareness building and socio-economic development through a savings programme. Funds generated through members' savings are utilised by individuals or groups for projects such as pisciculture, livestock rearing, cottage industries, agriculture, rickshaw operation and irrigation. NK also provides legal aid services to its members, particularly in the areas of retention of land by poor people, gaining possession of government khas land and the oppression of women. In 1995, 20 cases were supported, of which half were resolved (all in favour of the members) and the remainder pending.

NK provides progressive training programmes to its members. There are four levels of training: basic, progressive, advanced selection and advanced. In 1995, NK trained 613 members at basic level, 212 at progressive level, and 42 at advanced selection level. No member received advanced training in this year. In addition to these activities, 45 members received legal training and 57 training in livestock management (Source: 1995 Annual Report).

In terms of overseas financing, NK received some Tk 22 million in 1995, of which about Tk 5 million was provided by ICCO. Other major donors were EZE of Germany (Tk 8.3 million) and Christian Aid of UK (Tk 4.7 million).

Management structure

The highest decision-making body of Nijera Kori is its General Committee. This elects a Management Committee and appoints a Coordinator. The Coordinator is the ex officio chairperson of the Central Executive Committee. Apart from the positions of administrator and senior accountant, all other key positions are elected. At the operational level, primary, village, ward, union and thana committees are elected for one year periods by group conventions.

8.3.3 Findings of the IOB evaluation case study

Area studied

In order to understand how the NK process operates in practice its Gala sub-centre within Tangail zone was selected for study. Gala is situated 8 Kms north-west of Tangail town. NK has been operating in Gala since 1986. By June 1996, it had formed 81 groups with 1835 members. Out of the 81 groups, 43 have female members and the rest are male groups. Female groups had 1069 members and male groups 760. By this time, these 81 groups had between them total savings of Tk 381,237.

Aims and objectives of the programme

Activities that NK undertakes under its Rural Development Programme start at the grass-roots with group formation. A village level group is the primary unit of organisation of the rural poor. The main purpose of NK group activity is to develop people's understanding about their rights in family and society. Once the group is formed regular discussions are held with the members on various social, political and economic problems that impinge upon their lives. Members are encouraged to think of various options which might help solve those problems. Training is an important input in this process of awareness building. From each group one person is trained. If the membership of the group is more than thirty then two persons are trained. NK does not provide any skill-centred training to its members. Rather, its training programme is focused on consciousness raising. This training programme is spread over four stages. These are basic training, advanced training, higher training and higher advanced training. The member of a group who receives training is expected to disseminate the knowledge acquired among other fellow members. Another method which is used in raising awareness is the holding of cultural programmes. Trainers from a central cultural squad, located in Bogra, give training in such activities as popular theatre and peoples' songs. These activities reflect various day to day experiences of the struggle of the poor, exploitative relationships and the nature of violations of people's

basic rights. These efforts also convey messages concerning how poor people can change the social situation through their own organised efforts.

The encouragement of savings is another important part of NK's group activities. But unlike other NGOs, NK does not disburse credit to its clients. Savings are managed by the groups themselves. Groups normally deposit their savings in banks. During times of emergency, members can borrow from the savings fund with no or nominal interest. Otherwise the group's saving account is used as a self-sponsored revolving loan fund. Members can take credit individually, or as a group, or several groups can collectively take up income-generating activities with their combined savings.

Developing networks among groups is another important organisational strategy of NK. This derives from the fact that once a group becomes socially conscious it is expected that its members will want to engage themselves in wider social actions. Such a situation demands a broader scale of organisation. NK therefore pursues the policy of developing linkages between its groups. This is done through federating them into village and union committees. Village committees are formed through direct election by all members of the village concerned. Likewise union committees are elected by the members of all groups within the union concerned. The members are elected for two years.

Village committees and union committees have their own funds. These funds are created by voluntary contributions of the associated groups as well as by the members themselves. The funds are used by the committees when they undertake social action programmes aimed at establishing their rights. If needed additional funds and services are provided by NK's legal aid cell. Village and union committees also perform various activity programmes on such occasions as labour day, Independence day, international women's day and environment day. NK expects that village and union-level organisations will act as catalysts to help the rural poor to establish their rights in society. They should then be able to take action against problems such as the abuse of women for dowry, arbitrary divorce, rape and non-payment of alimony. They will also be able to collectively establish their access to state resources and services, increase their wage rates and express their concern against environmental degradation.

Programme activities

Gala sub centre is managed by 8 group organisers (5 male and 3 female) all of whom work with groups at field level. The duties of the sub-centre coordinator are performed by one of these group organisers, selected as the person who has the best combination of local knowledge and organisational capability. Each group organiser is in charge of 16 groups. Three of the eight group organisers have been recently recruited to help form new groups in the area.

The reporting procedures for NK workers are simple. Each worker prepares a weekly and a monthly report on his/her activities for the zonal president. The zonal president collates information from all the sub centres and sends copies to the divisional office, which collates them and passes them on to the head office. The sub centre staff are monitored by the zonal president and divisional organiser through monthly field visits.

Beneficiary groups

Three men's, three women's and one mixed group were included in the field study. Two of the groups were formed in 1994–5 and the rest much earlier, in 1986–87. The average size of the groups studied was 23. Membership of most of the groups remained intact with little incidence of drop-outs. Group records indicate that the groups met regularly over the last year, with 70 per cent attendance in these meetings.

Groups formed in 1987–88 period reported that initially the local elite was suspicious of their work and impeded their activities, but that the situation has now improved. Now new members do not face the problems that they had to face.

Three types of record are maintained by NK groups. These are the resolution book, savings record and savings pass book. Proceedings and attendance of meetings are recorded in resolution book by the themselves. Members' contributions to group savings are noted in the savings book. Members contribute Tk 5 as a group subscription. Like members of other NGOs, NK group members also save. Generally each member saves Tk 2 per week, but in a few groups the savings rate is Tk 5 per week. Of the groups studied it was a mixed group, formed in 1994, which had the largest savings, amounting to Tk 18,000. The average size of savings of the other groups was about Tk 10,500. NK issues one pass book for every sub-group of five members.

Benefits received by members

- Savings and internal group loans

As a matter of organisational policy NK does not provide credit to its clients. The group members use their own group savings for income-generating activities. This savings money is lent out among group members with an interest charge. There is a provision that in case of emergency members may borrow money without any interest. One group studied has savings of about Tk 12,070, out of which Tk 10,000 has been lent to a few members of the group. The balance of Tk 2,071 is kept in a bank. Another group has saved Tk 3,000 in the last one year and this money has been deposited in a bank. A third has lent out Tk 5000 to some members and the remaining Tk 480 remains in its account. The

money loaned from group savings has mainly been used in agriculture by leasing land for goat and cattle rearing or a pond for fisheries. Some members have used the money for their children's education. However, the scope of this self-generating credit scheme of NK members was found to be very limited. Only 2 or 3 members of each group have received loan money. The recovery rate of these credit programme could not be assessed since money changes hands informally. However groups reported that all such credit has been recovered, although in some cases it took a long time. This credit programme is completely independent of NK workers and all decisions are taken by group members themselves.

- Training

The NK four stage training programme is an important tool for building awareness among its clients. Three members of one group have participated in this programme. Two of them have received all four stages of training and the other only the basic training. Two other members of the group have attended training in cultural activities. This programme has three stages. The first stage lasts 7 days, the second 10 days and the third stage is 15 days long. The members went to Bogra to attend the cultural course and developed plays based on local events. The General Secretary of a women's group (1995) said that she had as yet received only the basic training from NK, but that she would gradually participate in the other three stages. The president of a men's group has already received all four training stages. Two members of another men's group have received training, one in all four stages and the other in the first two. Some members of the other groups have also received various amounts of training.

The proceedings of the last three meetings of the groups studied were read, and bore witness to the very distinctive approach of NK. In its last meeting, one men's group discussed the political crisis facing the country at the time and the role it might play in the situation. A women's group discussed the ill effects of chemical fertiliser on soil and the group organiser encouraged them to use compost as organic fertiliser. Another women's group in its meetings concentrated on the impact of recent tornadoes in the adjoining areas. The group decided to organise relief activities for the victims. A men's group in its last two meetings discussed the nature of women's oppression in Bangladesh, as well as the forthcoming national elections. In recent meetings, another women's group had discussed NK's organisational ideology, the question of environmental degradation in the area and repayment of loans. In the last three meetings of a mixed group, discussions focused on fundamentalism and fatwabaj (misuse of religious texts to justify women's oppression), as well as problems created for the rural poor by NGO credit programmes.

Impacts of the programme and members' assessment

- Social impacts

From the group discussions held by the research team, it was apparent the NK group members have a reasonable understanding about issues on health, hygiene and sanitation. They stated that they practised preventive health care measures, used pit latrines and consumed safe drinking water from tubewells.

NK clients reported that they were engaged in various social action programmes which helped establish their rightful claims. Through such social actions they feel that they have gained considerably. For example, some of them have successfully accessed (government) khas land.

Recently, a tornado severely damaged two unions of Tangail. Some groups, including one NK women's group, organised relief work in Bashail and Shakhipur. They collected old clothes and also raised funds, which they distributed among the affected people. Some members of a male group, through their village committee, have undertaken cultural programmes to celebrate the silver jubilee of the Independence of Bangladesh. Members of a women's group reported that due to the implementation of the Flood Action Plan (FAP) 20 Compartmentalisation Project, their normal lives and livelihood will be affected. So, with the help of NK workers, their union level committees mounted an organised campaign against the project. These groups participated in this movement because they felt that through such a combined effort the project could be stopped and environmental disaster could be averted. They felt that their participation in the anti-FAP programme gave their organisation a good name in the locality.

Earlier many of the credit-disbursing NGO organisers were critical of those who joined NK, saying that since NK does not provide credit its members do not have anything to gain from participating. Now people have begun to understand that their organisation is becoming very powerful. Members of male and female groups stated that, before becoming members of NK, they were only occupied with their own individual problems. But after joining NK, they realised that what they saw as their own problem is actually a problem of the whole society. So, if they do not participate in a united manner and try to address problems at a broader level, then they will also not be able to solve their individual problems. That is why when the brutal rape and murder of Yasmin took place in Dinajpur (which became a nationally publicised case) they organised a rally and handed over a memorandum to the local District Commissioner, protesting the police action and demanding exemplary punishment for those responsible. The NK members stated that such actions have made those in power realise the strength of the people. They asserted

that they would never again accept such injustices without protest, as they had in the past.

Members of a men's group stated that they went to Dhaka on a protest march against religious superstitions. The groups also mentioned that they have taken actions against domestic violence. Some group members described how a group member from Madhupur area was killed by her husband. Members from a male group participated in a demonstration together with Madhupur members to protest against her killing and calling for a proper legal inquiry into the issue.

A member of a male group stated that the membership of NK has given rise to feelings of fellowship. Three months ago when a member fell sick, for two weeks he was financially assisted by his fellow members. This was a great help to the person, as he did not have to borrow money from other sources to maintain his family's subsistence. Such activities gives them a sense of satisfaction which they feel is very important.

- *Women's empowerment*

As an example of women's empowerment, female group members stated that before their membership of NK, many of them did not go outside the boundaries of their own homes. They believe that through their participation in group, village and union committee meetings they have gained a lot of confidence and have become more articulate in their expression. A few members from one group stated that before they used to wear *Borka* (cover their bodies with black dress) to gain the respect of local society. Now they do not feel the need for this and therefore do not wear *Borka* anymore. They stated with pride that they had even gone to Dhaka to participate in a protest meeting.

- *Economic impacts*

Members have also been able to make their voices heard on various critical issues that affect their lives. Five of the groups mentioned that through the united efforts of several groups, they have been successful in increasing their wages. Earth work is a common profession of landless people in the area. The local authorities used to pay them much less than the government-fixed rate for their labour. Members of several groups jointly bargained with the authorities and managed to increase the rate. The official rate for earth work is 32 Kgs of wheat for each cubic foot of earth work. In this area the day labourers used to be paid less than 20 Kg, but after their organised negotiation, they started receiving 28 Kgs.

- Members' assessment

Members felt that due to their membership in Nijera Kori they have gained a lot socially. Before they were considered irrelevant by the rural elite. Due to their activities they are now given due respect. The local religious leaders are now more restrained in their misinterpretation of religion, because the people are more conscious and organised. Moreover, group members now know that everything that the mullahs claim in the name of religion may not necessarily be in the religious texts. In other words, they feel they have become more knowledgeable and therefore powerful than before.

It was found that the procedure of training one member of a group as a cadre worked well with NK, because the members make serious efforts to disseminate what they have learned. This contrasts with the results noted from other NGOs in the IOV Evaluation, which use the same method with far less success. Through the trained person, NK is able to pass its messages to the majority of the members. But in addition to these consciousness raising training programmes, every group expressed the need for skill-centred training. Members stated that they understand the NK philosophy of not providing credit. However, they feel that if NK could provide them with skill-centred training it would benefit them enormously. Poultry, tailoring and animal husbandry are the most desired activities in which they want to be trained.

Relationship with Government and with other NGOs

In Gala Union, many NGOs including BRAC, CARE, SSS, Grameen Bank and BURO Tangail are working. The NK fieldworkers stated that there is no formal coordination of day to day field operations among these NGOs. If an appropriate situation arises, they sometimes work jointly. For example when a member of NK was killed by her husband, other NGO also joined in the protests against the murder. In the movement against the Flood Action Plan many NGOs of the area are working together. UST, NK and Proshika (recently joined by BURO Tangail) were collectively involved in highlighting the problems created for local people by the sluice gates constructed under FAP-20. Many areas are suffering from this project with such impacts, depending on specific locality, as water logging, water scarcity and inundation. The NGOs' campaign aimed to highlight the ill effects of the project.

NGO collaboration in the area currently mainly exists with regard to such issue-based programmes. Therefore the fundamental problem of overlapping continues. However, NK organisers were not greatly concerned about overlapping of their clients with other NGOs. They stated that since they do not run any credit programme, they have no objection to their clients becoming members of other NGOs to obtain this. Some of the NK members

are indeed members of other NGOs. A few of them reported that they were pressed by the other organisations to quit NK, but they did not do so.

NK workers mentioned that some workers of other NGOs, especially those of Grameen Bank, do ask their clients to quit NK. But the clients do not pay heed to such advice. The NK workers take pride in the fact that their drop out rate is low. In most cases those who have left the organisation have later come back.

Concerning their relationship with the Government, NK organisers stated that they do their work at the grassroots level and therefore do not have much contact with the Government. Sometimes their mobilisation work upsets government officials, but they cannot help that. The TNO of Tangail stated that NGOs are in general beneficial to the area and that he did not wish to comment on any particular NGO including NK.

The views of NK senior management on its programme

According to the Nijera Kori coordinator, from the early 1980s NK began to concentrate on programmes which aim to help empower people to such an extent that social and political alternatives can eventually emerge. One of the complications of such an approach is in finding systems to measure achievement. NK has a system of categories of groups, based on their achievements and capacity. Relevant aspects are whether the group holds its own meetings without intervention from the NK field staff, what is the savings behaviour and how is the money used, what is the status of the group in the village, does the group take up local issues for campaigns or action and does the group fight for its legal rights? According to this system, groups should move through three stages, the third of which corresponds to a situation under which field staff need only visit the group on rare occasions to give it support. In this way, although NK's aims are less easily measured than those of credit-based NGOs, it nonetheless has a system by which progress can be monitored.

In NK's experience, groups of the poor can be effective up to the thana level, but not beyond this. It is also not seen as a particularly important target to have members elected on to union councils. This may yield no benefits. It may be more important to reach a stage at which elected officials need the support of landless groups as important players in the locality. Some groups have already reached this level and can actively protest against such issues as government corruption and development interventions without compensation for those harmed by them.

The NK approach therefore aims at collective social and economic activities which provide sustainable benefits to people. Examples already achieved include access to better wages and sharecropping agreements. A major area of struggle now is against the

encroachment of shrimp cultivation, often under donor-funded projects. For example, in the Khulna area, a senior politician has taken possession of government khas land, which could have been made available for landless families, and he is now farming shrimps for export. Shrimp farming has now become one of the major areas in which 'land-grabbing' from the poor is accelerating in the country.

Because NK is involved in actions which help the poor to challenge the existing power structure, it finds CFAs more suitable partners than bilateral funders. For example, ICCO has no objection to programmes which may challenge politicians, as long as it can be demonstrated that they are in the interest of the poor. NK develops its programme plan, which is discussed in detail with ICCO. ICCO then decides, often in consultation with NK's other donors, whether and how it wants to become involved. Bilateral donors, on the other hand, are anxious to support programmes which can be presented as supporting human rights, but only so long as these do not challenge senior government officials. And yet all of the actions which NK and its groups take are within existing government policies designed to help the poor.

The linkages which a donor such as ICCO can provide to international NGO networks are highly valued by NK. It always looks at the values and other programmes of funders before deciding to work with them. The approach to working with a CFA takes a long time to establish. Both consider the aims and methods of the other before they decide to work together. The bureaucracy of CFAs is also far less than that of bilateral donors. Furthermore, NK feels that a CFA can gain an understanding of local problems in Bangladesh and try to influence the Netherlands Government to adopt policies which favour the poor. ICCO visits the country two or three times a year to discuss progress and constraints, conduct short field visits and meet with NK's other donors.

NK has experience of working with the Netherlands Government. In the 1980s it worked on Dutch-funded projects in the Khulna and Noakhali areas. However, it found that the personnel of the consultancy teams changed so frequently that it was impossible to develop a consistent approach to benefit the poor. Furthermore, NK has observed that for bilateral donors, the same amount of paperwork is required for a small as for a large NGO and they are now clearly tending towards supporting large NGOs with expensive projects, so that the administrative cost is a smaller proportion of the sum expended.

NK is trying to bring its groups to a self-sustaining state. It is not geographically expanding, but concentrating on establishing a more dense network in its existing geographical area. It covers altogether 1,000 villages in 38 thanas. It feels that if democracy continues in Bangladesh, its type of programme will become increasingly valued as a contribution to good governance in the country.

8.3.4 Findings of other studies of NK

No external studies of NK were used by the IOB evaluation.

8.3.5 Key findings for evaluation of poverty alleviation through NGOs

- Nijera Kori is an activist NGO which aims to address the circumstances which cause the poverty and destitution of rural people, by making people conscious of their rights and assisting them to develop the collective strength necessary to establish those rights.
- It is a medium-sized NGO with 102,469 members, of whom about half are female.
- Its main current activity is a rural development programme which operates in 17 districts and is supported by ICCO.
- This programme concentrates on organisational development, empowerment, awareness building and socio-economic development through a savings programme. Funds generated through members' savings are utilised by individuals or groups for income-generating activities. There is no credit component using external funding.
- The scope of the self-generated credit scheme is limited, since funds are small.
- NK provides legal aid to members, particularly in such areas as land acquisition and retention by the poor and challenging the oppression of women.
- One or two members of each group receive training, which focuses on consciousness raising and passes through several distinct levels.
- Trained members make serious efforts to disseminate what they have learned.
- NK encourages its groups to form networks among themselves.
- Groups are also federated through village and union level committees.
- Members meet and save regularly. At meetings, members discuss pressing social issues and what measures they can take to tackle them.
- NK groups have taken combined action on social issues and established a reputation as a powerful force in the area.
- Women members have gained confidence through participating in group activities.
- Other members have taken joint actions which have led to tangible gains such as improved payment for manual labour on government projects.
- Although there is no institutionalised cooperation between the many NGOs working in the area studied, they cooperate on specific issues.

8.4 Rangpur Dinajpur Rural Service

8.4.1 Background

The Rangpur Dinajpur Rural Service was established in 1972 as the Bangladesh field programme of the Lutheran World Federation's Department for World Service. Its early works were in the fields of relief, rehabilitation and resettlement of returnees after the Independence struggle. It then operated sectoral development programmes, before moving towards its current integrated development approach. It is distinguished from most other Bangladeshi NGOs by its concentration on one particular location and, within that, by its principal of total coverage. It works in every thana and every union of its operating area. This comprises 28 thanas in 6 districts of one of the poorest regions of the country, with a population of 6.2 million, of whom 75 per cent are functionally landless and 30 per cent are acutely poor (Development Programme Policy, 1996, p. 2).

Historically, RDRS had substantial expatriate staffing, but this has reduced from 20 to one, who is the director. After a period of reflection, RDRS also came to the decision to become an autonomous Bangladeshi NGO, in order to ensure the sustainability of the programme and institution and to enhance the local sense of ownership. RDRS has some 1350 full-time staff and more than 2,000 volunteers (low paid grassroots fieldworkers). There is a small Dhaka head office, but operations are mainly run from the field office in Rangpur. Each District is headed by a project administrator and assistant responsible for the field implementation structure. Thana managers run operations at sub-district level, with assistant thana managers and field staff. RDRS implements its programmes through two main groups of staff, the area/field-based staff and Co-ordination, Training and Extension Services. These services include 26 agricultural specialists in different sectors.

8.4.2 Programme

RDRS's development aim is to achieve sustainable increases in the living standards of the rural poor, to protect the environment, develop community infrastructure and enhance disaster preparedness. These aims are largely pursued through one programme, variously referred to as the Comprehensive Project or Programme or as the core project. This aims to ensure that the rural poor possess and apply the necessary skills, understanding, confidence, institutions and services to attain the desired improved standard of living. Within, or sometimes beside, the Comprehensive Programme are a variety of 'partnership projects' implemented with the support of Government or individual donors, often within a fixed time and area and within a specific sector.

The Comprehensive Programme has an array of objectives under the following headings:

- People’s Organisation and Mobilisation;
- Women’s Rights and Gender Awareness;
- Education of Children and Adults;
- Primary Health Education and Services;
- Credit;
- Agriculture;
- Employment Generation;
- Environmental Management and Community Resource Development;
- Disaster Preparedness, Management and Development of Vulnerable Communities.

This ambitious programme has been constrained by the inadequate funding base of RDRS. However, in recent years this has been diversified and now includes bilateral, multilateral, non-governmental and emergency aid partners in addition to the traditional group of agencies associated with the Lutheran World Federation.

ICCO is a recent partner (1992) and accounts for just over 10 per cent of RDRS’ international funding (which is itself 90 per cent of the total funding). ICCO is seen as providing a valuable diversification of the organisation’s resource base and as bringing broad knowledge of international NGO operations, which is proving valuable in helping RDRS develop new policies and strategies through the interchange of ideas. It has found ICCO a professional partner, which visits regularly and makes critical comments on documents received. Its role in advocacy for overseas development support in Europe is also seen as important, in view of the increasing competition for limited public and private resources available for such purposes.

8.4.3 Findings of the IOB evaluation case study

Area studied

The area studied was Panchagarh district, where the Rangpur Dinajpur Rural Service has been working since 1983. Here, it is implementing three Netherlands-assisted projects. These are the Comprehensive Project, Tree Plantation Project and Legal Aid and Support Services. The Comprehensive Project and Tree Plantation Project are partially funded by ICCO, while the Royal Netherlands Embassy partially funds the Legal Aid And Support Service Project through ICCO. RDRS implements a number of other projects in the area, supported by a variety of international donors, but these were not assessed by the current study.

Aims and objectives of the programme

The aim of RDRS grassroots-level programmes is to increase the living standard of the rural community by providing appropriate skills, access to credit and assistance to develop their own organisations. To move towards these goals, the RDRS Comprehensive Project has four major elements, namely organisation development, awareness building, economic upliftment and federation.

Programme activities

The first step that RDRS takes to help raise the socio-economic status of the rural poor is to organise them into cohesive groups. Once the primary organisations are formed, RDRS encourages the members to interact regularly through group meetings. At this stage, it provides training on group management and on the need to develop the habit of saving regularly and also holds various discussion sessions to raise awareness among the poor of the advantages of being organised.

In order to enable progress towards a better social and economic existence, RDRS tries to improve the human qualities of its members through a range of training programmes. These include courses in adult literacy, primary health care, legal rights, and women's rights and gender development. Adult literacy training was greatly scaled down in 1993 and replaced by a Comprehensive Development Education foundation course, which does not include literacy.

The next element comprises activities aimed at the economic upliftment of individual members. In this respect, RDRS provides skill-centred training on such topics as fisheries, kitchen gardening, tailoring, sericulture and agriculture. This training is supported by a credit programme. Individual members receive loans, intended for use in income-generating activities.

The final element of the RDRS development process is to enable the individual groups to unite through forming their own network organisation known as a federation. So far, RDRS has pursued a policy of federating groups up to union level. It is intended that these federations will take over an organising and animating role when RDRS is no longer working with them. It is RDRS policy to enable its groups to reach independence from it in future. RDRS intends to phase out its involvement with groups, in the hope that they will be independent enough to work on their own, with the federation providing external support.

Overall, the work of RDRS can be summarised as follows:

- Group Development*
- group formation;
 - holding regular meetings;
 - development of savings habit;
 - group management and training.
- Awareness Building*
- adult literacy training (now largely phased out in Panchagarh);
 - primary health care training;
 - legal rights training;
 - women’s rights and gender relations training.
- Economic Upliftment*
- skill-centred training;
 - credit;
 - income-generating activities;
 - tree planting, fish ponds, agriculture and grain storage.
- Phasing-out and Federation*
- village-level primary groups;
 - Union coordination committees;
 - phased-out groups.

Beneficiary groups and organisation

In Panchagarh up to January 1996, RDRS had brought 39,658 people under its Comprehensive Project. Of these, 70 per cent were female. There are 2,391 primary groups with an average size of about 16. In order to understand the RDRS development process, six primary groups and two union-level federations were studied. Four of these groups were female and two male. Of the six groups, four were RDRS managed groups and two had already been ‘phased-out’ to operate independently. Findings on these groups are presented below.

The basic unit of organisation is the group. Of the groups studied, one of the four still managed by RDRS was formed in 1993 and the rest in 1994. The phased-out groups were formed in 1988. Most of the groups studied were formed on the initiative of RDRS workers. One women’s group, however, was formed by the members themselves. Thirteen women of the village organised a meeting and discussed the need to improve their economic status. They discussed creating a savings fund from which each member would take a loan in turn. But at this time, they came to know about the RDRS programme in a nearby village, under which all members could get credit at the same time. Then they met the RDRS worker, who helped them become members. Two of the groups studied had respectively 13 and 16 members when they started functioning and still retain

these numbers. In fact, with the exception of one group, all the RDRS managed groups have retained their full membership. This group started with 25 members but now has only 20.

In contrast, the phased-out groups have not been able to retain their membership. One men's group had 26 members when it was phased-out, but now has only 12 members remaining. Similarly, a women's group began with 25 members, but by the time of the fieldwork the number had dropped to 13. Neither of these two groups have been meeting regularly since they were phased-out. Of the RDRS managed groups two were meeting regularly and two were not. The group meetings which the study team attended were mainly dominated by the group leaders, while other members hardly participated.

Benefits received

- Savings and credit

RDRS was a relatively late entrant into the field of credit. It began on a small scale in 1991 and began to provide loans in a reasonable volume in 1993. In Panchagarh, RDRS has distributed Tk 67,273,000 credit among its clients. Male groups have received 37 per cent of the total credit and female groups the rest. Another Tk 6,125,445 has been disbursed among the groups as one time survival credit. Up to January 1996, female groups had saved Tk 6,007,962 and male groups Tk 2,851,288.

All of the six groups studied were found to have poor savings records. None of them was saving regularly. For example, one women's group had only Tk 1200 in its savings fund. RDRS management has indicated that it is itself concerned with the irregularity of savings among some of its groups. However, it also states that savings are promoted primarily for investment purposes and only secondarily as a buffer against hard times. Thus, the mere accumulation of savings itself may not be a desired state, since this would imply that the group cannot identify useful investments to make its savings work. The funds are maintained by the respective groups, but unlike the situation discovered with some other self-managed funds, no incidents of misappropriation were reported. Regularity of meetings and savings are two important factors for successful group operation but none of the groups studied displayed both characteristics.

All the six groups studied have received credit from RDRS. One group has received loans twice. On the first occasion ten members of the group received a total of Tk 22,000 and on the second, fifteen members a total of Tk 50,000. Another group has also received two loans. The first time, RDRS provided Tk 18,000 for twelve members and the second, Tk 43,000 was disbursed among thirteen members. A third group has received credit four

times. The first time Tk 21,000 was disbursed for ten members and by the fourth loan, Tk 44,000 was made available for distribution among all the members.

- Training

In order to effectively manage and strengthen its groups, RDRS aims to provide group management training to its members. However, only two members of the phased-out groups claimed to have received such training and no one from the other four groups. The ineffective operation of the groups can therefore be partly attributed to lack of the intended training.

As indicated above, RDRS intends to raise the awareness level of its clients through group discussions, training and other means. At an earlier stage in RDRS operations, adult literacy training was usually the first step in this direction. Among the groups studied, only members of two groups claimed to have received such training. Members of three other groups have not attended any literacy training and it was observed from their group records that many members still use thumb prints. RDRS has more recently dropped adult literacy from its main programme activities and it is therefore not surprising that few members had attended such training.

It was difficult to obtain information on what issues the group organisers have discussed to raise the awareness level of the groups. Most of the time group members stated that in previous meetings they discussed savings and credit. Since no groups could show their resolution book, the issues they had discussed in the previous meetings were also not accessible from this source. However, after much probing, it could be ascertained that at various times, the group organisers have provided information on techniques of kitchen gardening, emphasised the need for good household hygiene, the importance of immunisation and proper sanitation.

RDRS provides women's rights and gender awareness training. Two members who had attended formal training on these topics indicated that they had learnt that women have equal rights to those of men. They were also taught that dowry, early marriage and polygamy are illegal practices and that no one should practice these anymore.

The groups have not received much skill-centered training to help increase their income. One group member interviewed has attended formal training on tailoring and several members have participated in group discussions on kitchen gardening. RDRS management has pointed out that its training approach includes both formal 'classroom' type exercises and field-based skills training, such as pondside training in fish culture, which may not be interpreted by members as formal 'training', but which it regards as more

effective than some classroom exercises. The group discussions on kitchen gardening are therefore likely to be part of the training programme, given by a staff member who has been trained to act as a field-level instructor in this topic. Apart from these instances, RDRS's most substantial input to help raise the income level of the group members has been provision of credit.

Impacts of the programme and members' assessment

- Social impacts

When asked how they put the training received in these areas into practice in their daily lives, members stated that they have immunised their children, wash their hands before taking food and drink safe water. They also stated that they are now more involved in kitchen gardening, which has diversified the range of vegetables eaten and increased their families' nutritional intake. However, members of some of these groups still use exposed toilets or open spaces for defecation and pit latrines remain uncommon among the members. It seems that the value of hygienic latrine use has not been stressed by the RDRS field staff.

Dowry is a pervasive phenomenon in this area and the members do not feel that their affiliation with groups can change such practices. The groups have not tried to campaign against polygamy or dowry practices and have never been active in pursuing settlement of alimony cases in favour of women. Nor is registration of marriage common among the members. Most do not feel that they can use the strength of their groups for such purposes. For most, groups are principally avenues for savings and credit. No incidents of gaining access to national resources such as government land or leasing water bodies were reported by these groups. Therefore it can be said that the awareness building efforts of RDRS have resulted in some gains at household level, but that broader social empowerment has not yet occurred. The only area in which a gain has been made is in members' awareness of the importance of voting in national and local elections.

RDRS follows a development strategy under which grassroots-level groups are federated at union level. It is expected that, after four years of RDRS management, the groups will be able to continue their development activity with the help of their federation. More broadly, it is intended that groups will get involved in larger-scale development activities and take the initiative of organising movements against damaging social practices with the help of the federation. In order to understand something of the performance of RDRS's federating bodies, two of their union level federations were studied. One of these was formed in 1991 and the other in 1989. One represents 129 primary groups and the other 104. These federations have general and executive bodies. Two members from each

village-level group are members of the general body, which elects (for a period of three years) the executive body from among its members. The executive body is intended to meet monthly and the general body every two months.

According to the Evaluation Report, Volume 1 (p. 27), published by Danida in 1994,

‘Federations are formed to support member groups: by affiliating and meeting regularly under the Federation umbrella, the groups can reaffirm their goals, share their problems and achieve solidarity. The Federations can articulate their needs and represent the interests of their members and the poorest groups in rural society, e.g. by pressing Government for local health services, by obtaining land for cultivation and ponds for fish farming, etc.

The Federations build up their own funds from the entry and membership fees of the groups joining the Federations, from loans received from RDRS and allocated to graduated groups, and from income from economic activities. Ultimately, the union Federations will assume the responsibilities vis-à-vis the phased-out primary groups hitherto undertaken by RDRS, including supervision of the groups, the approval of group credit, and the formation of new groups’.

Members of the federation executive body stated that they regularly perform their organisational duty. They meet once a month and process the credit and training applications of the primary groups. They also send volunteers to the primary groups. Furthermore, they run some income-generating projects on behalf of the federation. One federation owns a grain and multi-purpose store. This was financed by RDRS with the aim of providing access to storage for its members at a reasonable cost. The executive committee looks after the operation and management of the store and income from it goes to the federation. Both federations have leased roadside stretches from the Government and signed agreements to plant trees on these stretches and receive the harvest from them. This is again a source of income for the federation. This planting project also creates jobs for destitute female members of the primary groups. One federation also runs an insurance scheme for members of its groups. So members of the federation bodies felt that they are performing their duties well.

When general members were asked about the performance of the federation they were less enthusiastic than the officers. Some stated that the executive members took unethical benefits for processing credit applications (although this could not be corroborated). Some regarded the system of reviewing credit proposal by the federation as unnecessary bureaucracy, delaying the credit disbursement process. Such perceptions suggest that it will not be easy for the federation to take over the responsibility of administering the credit programme on its own.

It was found from the Resolution Books that the executive bodies of both federations meet regularly every month. 75–80 per cent of committee members were present in all meetings. But neither of the general bodies of the federations have met for a long period.

One general body met only once in the whole of last year and at the time of the study, the other general body had not met for eight months. Even in the two general body meetings which had been held, attendance was less than 30 per cent.

When asked about the lack of activity of their body, general members stated that the federation has not been able to pursue the kind of activity which will benefit its primary groups. Since the executive committee of the federation has access to a sizeable amount of funds it appears that some vested interest groups have emerged within it and these are in frequent conflict among themselves. For this federation, there is a conflict between the new executive committee and the previous executive committee concerning control of the construction work of the federation office, which has a budget of Tk 250,000.

In the other federation, the struggle has reached such a stage that the previous chairperson of the executive committee has not handed over any records or funds to the present executive committee which was formed nine months ago. In a meeting which the study team attended, the previous committee made allegations of corruption against the present executive committee regarding staff salaries, fertilizer purchase and a tree planting project. The present committee stated that the previous committee members were blocking its work and trying to undermine its credibility. Further, they claimed that the previous committee was engaged in destroying the trees it had planted.

The members felt that these conflicts have divided their general bodies. Both of these committees were seen to be more involved in internal conflicts than in providing services to their primary groups. In turn, these conflicts create divisions among the ordinary members and make many of them apathetic towards the federating organisations.

The RDRS concept of phasing-out appears to have been over-ambitious. Once a group is phased-out, it is largely left to its devices. As a federation member, a group can be part of broader activities, but it cannot continue in the training and credit programmes. The results encountered suggest that it is over-optimistic of RDRS to think that it can make a group self-reliant by providing an average of two sets of credit and a few training places for members over a four to five year period. Members of the two phased-out groups and the representatives present in the federation meeting strongly expressed their opinion that the present RDRS format of phasing-out is ineffective. They mentioned that phased-out groups either disintegrate or their members become part of a new group under RDRS or join one of the other NGOs working in the area. Members of one federation had no idea about the number of phased-out groups under their federation.

In fact, RDRS management has indicated that the organisation itself concluded that too much was expected of the phased-out groups and that it has since revised the concept.

Under the new system, the capability of federations will be considerably strengthened through additional training, including in democratic practice and accountability, as well as in developing their own cadres to deliver services to the membership. Furthermore, after 'phasing-out', federations will continue to retain links with RDRS for support purposes.

- Economic impacts

Group members were very keen to discuss how they have used the credit. Most of them emphasised that they have tried not to misuse the assistance provided in this form. Male members have mainly invested in trading and buying agricultural inputs, while women have generally kept a small section of the credit for their own use and passed on the rest to male members of the household. Women themselves mainly invest money in duck and chicken rearing and in buying vegetable seeds. One exceptional member has opened a grocery store in her house.

Members of all the groups stated that credit from RDRS has raised their family income. When asked how this affected their daily lives, some mentioned the ability to buy clothing more frequently, others that they can now afford the extra money needed for sending their children to school and still others indicated that it helped them to maintain their bare subsistence. Findings from the individual interviews corroborated what was said in group meetings. Members were asked if conditions of their homestead had changed after RDRS membership. For 18 out of the 20, conditions remained unchanged, whilst two have been able to improve their houses. RDRS membership has also had little influence on the size of the homestead land owned. With regard to arable land, 17 members noted no change, two members had lost a section of their land and one member marginally increased the landholding size.

In Panchagarh area the group members stated that in general their dependence on money lenders has decreased. This is because they have access to RDRS loans as well as to those of other NGOs and the government agricultural bank. Sixteen of those interviewed mentioned that they did not have any debt. None of the four with debts had resorted to moneylenders. Three of them had bank loans and one member's husband was a member of Proshika and took a loan from this organisation.

Therefore it can be stated that access to credit has had an important bearing on the lives of the poor, although it has not generally been able to raise them out of poverty.

- Members assessment

Members of RDRS stated that the organisation has a special appeal to them because it is one of the oldest NGOs in the area and was the first to offer them a credit and

savings programme. Against this advantage, they set the organisation's inability to offer regular access to credit, which undermines their efforts to achieve sustainable income improvement. Furthermore, the amount of credit given is usually not enough for any meaningful economic venture, often being only between Tk 1500 and Tk 2000. However, RDRS management has pointed out that the organisation only started providing credit on a relatively large scale in 1993 and that programme is still expanding. It therefore anticipates that the problems highlighted by members will be overcome in future. The savings levels of the groups is low. All groups studied had kept their money with the banks and no incident was reported of misappropriation of savings at this level.

Members did not express the hope of making any broader social gains from their affiliation with the organisation. Neither the groups nor the federations have taken any initiative to solve social problems and from the field investigation it appears that RDRS organisers have not been able to make the group members understand the wider social goals of the organisation. RDRS management has indicated that it is aware of these problems and that it is too early to expect federations to have attained a high degree of efficiency and of awareness among their members. With regard to access to state resources, one of the federations organised a roadside tree planting project, which utilises government land to generate income, particularly for poor women. RDRS has the largest such programme in the country, as well as a major fishpond development programme.

The policy of phasing-out groups after four years was widely condemned, most notably because this appeared to have reduced the likelihood of groups obtaining further loans. RDRS management has indicated that phased-out groups remain eligible for loans and that about 40 per cent of them have already received such a benefit. It is therefore due to the overall insufficiency of RDRS credit funds that the majority of such groups have not yet been assisted. After some time waiting for credit, many phased-out groups become inactive and their members gradually join other groups of RDRS or other NGOs. With regard to the federations, most members expressed their dissatisfaction. They feel that the resources at the disposal of these bodies are monopolised by a small group of leaders. All members of the phased-out groups were found to strongly oppose the concept as implemented to date. As stated above, RDRS management is currently trying to address these difficulties by strengthening the capacity building given to federations before hand-over and by continuing support thereafter.

Inter-NGO and Government-NGO relationships

There are 19 NGOs operating in Panchagarh area, including BRAC, Village Development Organisation, Shwanirbhar, GSS, (Grameen Bank) and ASA. Local NGOs fall under the Dinajpur Chapter of ADAB. At the local level a monthly coordination meeting of NGOs

is held to deal with various issues affecting relationships between them. Member NGOs host the meeting on a rotational basis. Recently, a major topic of discussion has been how to reduce the impact of conservative forces in the area. These recently became active after a play staged by GSS was held to have offended their religious sentiments, inspiring them to set fire to a GSS school in retaliation. The NGOs expressed their collective opposition to this type of action.

The meeting also discusses issues associated with overlapping membership of NGOs. Co-ordinators of various NGOs have agreed that duplication of membership should be avoided and that only genuine non-members should be enlisted by new NGOs or programmes operating in the area. The study team found, however, that overlapping membership is common. For example, most of the members of one phased-out group are also members of Grameen Bank. Members of other RDRS groups also had membership of other NGOs or of the Government-sponsored Ansar-VDP credit scheme.

RDRS officials at Panchagarh stated that they have good relationships with Government. RDRS is one of three organisations representing NGOs on the district development steering committee, at which development activities are coordinated and such issues as the food grain supply situation and water development plans are discussed and information exchanged. RDRS officials stated that the organisation actively participates in the food for education, emergency relief and winter clothes distribution programmes of the Government. At the field level, RDRS maintains contact with the local TNOs.

8.4.4 Findings of other studies of RDRS

RDRS has in recent years expanded its donor base and moved towards a thorough localisation of the organisation. As part of this process, it has produced a variety of documents in addition to its routine Annual Reports. These include a Gender Policy (1995) and a Development Programme Policy (1996). It has also published a document entitled 'Socio-Economic Data and Information on NGOs in RDRS Working Area' (1995), which includes an overview of the activities of 63 other NGOs active within its working area. This shows a commendable awareness of its operating environment, which could be well replicated by other large and medium NGOs.

In 1994, Danida published an Evaluation Report of RDRS activities, based on an international mission. Some of the evaluation findings, notably those relevant to the Comprehensive Programme, include the following:

- thorough understanding of development issues and problems facing its target group;
- dedicated and experienced staff;

- participatory and objective-based planning system;
- high but under-utilised implementation capacity;
- low capability for dealing with new foreign donors;
- insufficient funding to match its implementation capacity;
- lacks an impact monitoring system;
- needs to develop comprehensive strategy for women in the Comprehensive Programme;
- has contributed to improving the living standards of its target groups.

8.4.5 Key findings for evaluation of poverty alleviation through NGOs

- RDRS began operating in 1972 in the fields of relief and rehabilitation.
- It then operated sectoral development programmes, before moving towards its current integrated development approach.
- It is a big NGO with 212,415 members, 58 per cent of whom are females.
- It is distinctive from other big NGOs, since it operates in one geographical region, within which it is present in every thana and union.
- Its aim is to achieve sustainable increases in the living standards of the rural poor, to protect the environment, develop community infrastructure and enhance disaster preparedness.
- These aims are largely pursued through one set of activities, known as the Comprehensive Programme.
- Until recently, RDRS was restricted by a limited financial base, but it has recently added several new funding partners, including ICCO in 1992.
- Members form groups, which meet regularly and receive training on group management, the value of saving and awareness raising. A variety of training courses is available to members, including many skill-centred programmes.
- Credit is a relatively recent component of RDRS programmes and not all groups have received regular loans for all members.
- Groups are encouraged to form federations up to union level and these are intended to continue with the organising and animating role after RDRS workers are no longer regularly supervising the groups (phased out groups).
- In the area studied, phased out groups experienced a high drop out rate and met irregularly, while those managed by NGO staff performed rather better.
- Members have improved their health awareness through participation in groups and some have adopted kitchen gardening as a valuable addition to the household diet.
- Group members did not generally see opportunities to challenge practices which are harmful to women, and broader social empowerment was also at a low level, except for increased participation in voting.
- The executive committees of the two union level federations studied meet regularly

and process credit and training applications of primary groups. They also have income-generating projects which assist members. Both have leased roadside land from government and group members plant trees on these and maintain them. This has created work opportunities for destitute women.

- Whilst the executive committees meet regularly, the general committees of the federations rarely do so and members of these bodies expressed little enthusiasm for the activities promoted by their executive bodies. The latter are prone to internal disputes, often related to the substantial amounts of funds which are under their control. These disputes have given rise to apathy towards the federations among ordinary group members.
- The concept of phasing out of federated groups to manage their own affairs appears over-optimistic and RDRS itself is now revising concepts and practices to provide more training and support for these bodies.
- Women members tend to use some of the credit for themselves for small-scale income-generating activities and to pass the rest on to male household members.
- Credit from RDRS has improved the standard of living of member households and reduced dependence on money lenders. Since the credit scheme is in its early years and the sums available have not been large, it has not yet stimulated major change in the economic status of households.
- The area studied has 19 NGOs operating in it and these have a monthly coordination meeting.
- RDRS staff also have regular contact with local government officials.

9 Case studies of NGO partners of Novib

Introduction

As a major component of the evaluation of the Netherlands assistance for poverty alleviation, a fieldwork assessment, based on case studies, was made of the activities of 15 NGOs participating in it, as partners of CFAs or of the RNE. Case studies of partners of Novib are described in this Chapter. The NGOs studied were the Bangladesh Rural Advancement Committee, the Community Development Association and Proshika Manobik Unnayan Kendra.

9.1 Bangladesh Rural Advancement Committee

9.1.1 Background

BRAC first began operating as the Bangladesh Rehabilitation Assistance Committee in the Sulla area of Sylhet in February 1972. Its initial work (see *The Research and Evaluation Division Annual Report, 1994*) was a relief and rehabilitation project for refugees of the Liberation War. Within a year, BRAC had renamed itself and began to develop a broader concept of sustainable development through building the capacity of the rural poor. Initially, it operated multi-sectoral village development programmes, but based on early experiences it moved to a target group approach designed to avoid appropriation of benefits by the rural elite.

The primary target group served by BRAC is the landless (less than 0.5 acres) poor, who sell their manual labour for survival. This includes comparable groups such as fishermen, artisans and manual transport workers. Women have become a major area of concentration for BRAC programmes. BRAC describes its twin objectives as poverty alleviation and empowerment, since it has found through experience that poverty is the outcome of powerlessness. Its interventions aim to assist the rural poor to develop their own institutions, through which local leadership and organisational skills should be developed with the intention of enabling groups to function independently and on a sustainable basis.

9.1.2 Programmes

Over the years, BRAC has modified its programmes in many ways and expanded enormously. It is now possibly the largest NGO in the world. In 1994, its total income was some US\$ 70 million, of which 66 per cent (some US\$ 46 million) came from donor contributions, 3 per cent from loans from the Government of Bangladesh and the Bangladesh Krishi Bank and 31 per cent (some US\$ 22 million) from its own project income. BRAC's largest single donor was the Overseas Development Administration of the UK, with over US\$ 9 million. The Government of the Netherlands, through the Embassy, was second largest with over US\$ 7 million, largely for the Non-Formal Education Programme (see below). Novib was the fifth largest donor, at slightly over US\$ 5 million. In total, 19 per cent of BRAC's 1995/6 international funding came from these two Dutch sources.

BRAC operates a variety of programmes to attain its objectives. The major strands are as follows:

- Rural development, undertaken through development of village organisations (VOs). These are intended to foster the growth of self-reliance among the poor and associated empowerment. Means to attain this objective include development of a savings habit, disbursement of credit, a Human Rights and Legal Education Programme (HRLE), formally referred to as paralegal training (and often still known under this name at field level), and some special programmes for disadvantaged groups (such as the Income Generation for Vulnerable Group Development Initiative). These activities are grouped under the umbrella of the Rural Development Programme (RDP). Under a later strategy, VOs which have received four years of support under the RDP are transferred to a BRAC 'Bank' known as the Rural Credit Programme. It is assumed that from this stage on the groups will need little support from BRAC.
- Education initiatives, grouped under the Non-Formal Primary Education Programme, aimed at reaching children of disadvantaged families who have either never attended school, or who have 'dropped out'.
- Health programmes which seek to raise the capacity of poor communities to sustain health-related activities, particularly for women and children.
- Administrative and technical support services for the BRAC programme, including; training, research, monitoring, evaluation, publications, public affairs and communications, accounts and audit, logistics, computer services and construction services.
- Activities aimed at assisting the organisation to reach financial self-reliance; these include the Aarong group of shops in Bangladesh and abroad, BRAC Printing Press, BRAC cold storage and BRAC garment factories.

As shown by the above overview of activities, BRAC has a substantial coverage in the country. Out of the 86,038 villages in Bangladesh, BRAC's RDP reaches 35,961, while

its Non-Formal Primary Education Programme is active in 16,946 villages and the Health and Population Programme in 12,056. The three groups of activities overlap in coverage and the precise number of villages reached by one or more programmes is not known. It can, however, be estimated that there is some form of BRAC activity in around half of the villages in the country. As of September 1995, BRAC Village Organisations had 121,366 male members and 1,516,047 female members, giving a total of 1,637,413 members. In order to sustain this level of activity, BRAC had some 17,191 full time staff and an additional 59,961 part-time staff, many of whom were working on the NFPE programme (source: IOB study questionnaire).

Some of the key programmes are outlined in further detail below.

The Rural Development Programme (RDP)

BRAC's Rural Development Programme was launched in 1986, as an amalgamation of two earlier experimental programmes, the Outreach Programme and the Rural Credit and Training Programme. It provides credit support, education and technological services and institution building. Under the RDP concept, credit and savings are included to alleviate material dimensions of poverty, while institution building is expected to create collective strength among the poor, leading in the long term to social change favouring them and sustainable economic improvement. In 1990, under Phase Two, a BRAC RDP donor consortium was established, to ensure coordination between donors and reduce duplication of reporting requirements. The Third Phase of RDP was due for completion at the end of 1995. This phase was supported by eight donors, served by a Donors' Liaison Office (with support from Novib) which aims to make contacts between BRAC and the donors more effective.

BRAC's credit facility is operated as a Revolving Loan Fund (RLF) targeted at the functionally landless (less than half an acre of land). Loan repayments from borrowers are credited to the RLF and used to extend further credit, with the aim of enabling all group members to borrow money, which is expected to be used to generate improved household income. Savings accrue 6 per cent interest. The scale of savings in members' accounts has increased rapidly (source: RDP Half Yearly Report, June 1995) from Tk 185 million in December 1993 to Tk 639 million in June 1995 (of which Tk 566 million was in accounts held by female members)

It is anticipated that access to credit will generate improved employment and incomes, thus raising living standards and household security. Credit provision is supported by sectoral programmes which include technical assistance and training in such fields as; poultry and livestock, sericulture, pisciculture, horticulture and irrigation. These programmes

are not intended to be directly available to all beneficiaries. Rather, those who have acquired specialist skills are expected to pass these on to their communities through a demonstration effect. A study conducted by BRAC (IAS 1996) shows that about half of the female members and one quarter of the males have received some training under RDP. The majority of women receiving training do so in the livestock sector (notably poultry rearing) whilst men tended to receive more training of a less specialist nature.

Once BRAC has opened an area office, RDP staff conduct a survey which enables them to divide the total working area into units, each of which contains 50 target households. The aim is to motivate these households to form a village organisation (VO), although recently the number of members accepted as constituting an average group has been reduced to between 35 to 40. A VO can be formally announced and enter the savings and credit programme once it has 20 members, with the additional members expected to join within two years of foundation. Each VO consists of a number of smaller groups containing five members, each with a leader responsible for collecting weekly savings and loan instalments. These small group leaders are also expected to play an important role in ensuring that their members regularly attend meetings of the larger VO. Each VO has a management committee which consists of leaders of the small credit groups, and which has an elected chairperson, secretary and cashier.

Between 1990 and 1992, there was a substantial growth of the RDP and RCP (Rural Credit Programme, see below) programmes, with 7,533 new VOs being added in 3,571 villages with 297,005 members. This produced a total of 13,967 VOs with 649,274 members at the end of 1992. During this period, the increase in female participation was 121 per cent as against 21 per cent for males. By the end of 1994, coverage had increased still further, with 24,859 VOs in 13,224 villages with a total membership of 1,036,254. Between January and June 1995, RDP opened 40 new area offices, bringing the total number to 235. By the end of this period, RDP membership had reached 1.2 million. This increase had come solely through recruitment of female members (totalling 1.07 million), since BRAC has now introduced a policy of recruiting only females into this programme.

The Rural Credit Programme (RCP)

In 1990, BRAC introduced a new programme, the Rural Credit Programme (RCP) for application in mature RDP areas. The intention is that in new areas, RDP will conduct the development process for four years, after which RCP takes over the credit programme which should no longer need a BRAC subsidy to operate. Each RCP branch should cover its operational costs from interest earned on loans disbursed. BRAC has for some years been trying to obtain Government approval for a banking license and if this is received, RCP branches will become BRAC Bank branches.

The Non-Formal Primary Education Programme (NFPE)

BRAC's NFPE falls under the overall umbrella of the RDP. However, it has been separated from this programme for funding purposes, enabling donors with a particular interest in education to fully participate. At field level, a substantial level of integration, often including shared office buildings, remains. The initiative commenced in 1985 as part of the national effort to eradicate illiteracy and promote 'Education for All' by the year 2000. The programme aims to develop a replicable NFPE model which will provide basic skills in literacy, numeracy and social awareness for children who are not reached by or dropped out of the government system. The programme is in particular focused on females.

At the time of planning for the NFPE, there were in Bangladesh some 17 million children between the ages of 6 and 10. Of these, 12 million were in government schools and the remainder did not attend. Most of the non-attendeers are girls in rural areas. The BRAC programme has two models. The original NFPE is intended for children between the ages of 8 and 10 whilst Basic Education for Older Children serves those from 11 to 14 years. The overall programme which began with 22 experimental schools in 1985 had developed 28,274 schools by the end of 1994, with an enrolment of over 800,000 children. BRAC does not intend to continue this process of rapid expansion. Under RDP IV it will concentrate on 'policy dialogue with Government in an effort to upgrade the national system as a whole, through curriculum development, teacher training and educational management systems' (RDP IV Project Proposal). It is BRAC's hope (F.H. Abed, pers. com) that within 20 years of the commencement of the BRAC programme, Government will have the capacity to take over the approach and cater for all children.

Phase I of the NFPE was evaluated in 1995, and Phase II is expected to add some elements in the fields of continuing education, including community libraries.

Legal awareness training

The Human Rights and Legal Education component of RDP (often still referred to as para-legal training, which was its former title) aims to provide VO members with information on Muslim Family Law, Constitutional Rights, Criminal procedure Code, Muslim Law of Inheritance and Land Law. It aims to empower people through raising their level of basic knowledge rather than to provide an alternative to existing legal systems and procedures in the rural areas. It incorporates a number of elements of the Social Awareness Education component of earlier RDP phases.

Monitoring activities

The Monitoring Department was established in 1988 with the main task of developing an effective data management system for RDP. It now covers all BRAC programmes except a Health and Population programme (which is covered by another BRAC entity, the Research and Evaluation Division). By 1995 the Monitoring Department had 37 staff, mostly working at the field level. At this time, its role was restricted to monitoring, since BRAC then established a separate Management Information System for the RDP.

9.1.3 Findings of the IOB evaluation case study*Area studied*

The BRAC programme site selected for the study was in Habiganj Sadar thana. BRAC has been working in the area since 1988. During this period BRAC has formed 144 groups here. Of these forty are male groups with 1408 members, while the remaining 104 female groups have 4286 members. In June 1996 these groups had savings of Tk 3,014,126. Since the beginning of its programme in 1988, BRAC has disbursed Tk 62,087,000 credit among the clients.

Aims and objectives of the programme

In Habiganj Sadar BRAC is implementing four types of project; the Rural Development Programme (RDP), Rural Credit Programme (RCP), Non-formal Primary Education Programme (NFPE) and Health and Population Programme. NFPE is managed independently by a separate office. The study team mainly focused on RDP and its groups as this is funded through Dutch CFA sources. BRAC's RDP is an integrated rural development programme which combines functional education, skill-centred training, social, legal and health awareness training and credit. According to BRAC's 1995 annual report after approximately four years of operation groups formed under RDP no longer require motivational or skill-centered training. The clients are then only involved with the credit programme. Programmes which have reached this phase are operated under the RCP. Habiganj Sadar project is known as an RCP project, although many of its groups are in fact still in the RDP phase. According to the Area Manager, if the cost of the credit component of the programme can be recovered by the interest earned then that particular office becomes known as an RCP project.

Programme activities

Habiganj Sadar office has twenty-three staff, of whom twenty are male. These consist of: one area manager, one 'accounts-in-charge', four programme officers (POs), sixteen programme assistants (PAs) and one cook. Some of the programme assistants are specialised in such fields as poultry, sericulture, horticulture, livestock, paralegal aid, health and adult literacy. PAs for adult literacy recruit and train functional education teachers from each locality and provide logistical support for the courses. When the course is in operation the PA monitors the progress of the individual groups. Another PA is in charge of paralegal training and organises the twenty-eight day paralegal programme which is in principle attended by all group members. Various types of skill-centered training and technical assistance are provided to the group members by other PAs, particularly once members start to undertake income-generating activities with the credit provided. The main task of the POs is to monitor the performance of the PAs.

In the study area, BRAC provides training on such topics as sericulture, horticulture, kitchen gardening, apiculture and pisciculture. Savings and credit are of course the core components of the programme. From the very first day of group formation members begin to save. Savings are collected and managed by the PA. Members do not have any access to their savings, but these accumulate interest at the prevailing bank rate. Participants can only withdraw their savings if they terminate their membership of BRAC. The credit programme starts after a group reaches a certain stage. All members do not get a loan at the same time. Credit is provided in phases. BRAC also offers a life insurance scheme for its clients, at a premium of Tk 10 per annum. In case of the death of a member the family receives Tk 5000 from the scheme.

From the above discussion it is clear that, although savings and credit are critical components, the BRAC RDP programme still retains many elements of an integrated rural development model.

Beneficiary groups and organisation

Eight groups (five of women, two mixed and one of men) were randomly selected from the BRAC PAs' weekly work plan to participate in the study.

Among the groups studied, two from the same village were the oldest, being formed in 1989. Two groups from another village were formed in 1991 and three groups from a third village in early 1994. All the groups had about fifty members, except for one, which had only thirty. In May 1989, when one mixed group was formed, it had 110 members but

half of these have since left the organization. All the eight groups studied were formed at the initiative of BRAC workers

It was found that apart from the two mixed groups, all the other six groups were functioning smoothly. Group meetings were held regularly. The average attendance of members in weekly meetings was 80 per cent. BRAC group members maintain a Group Resolution Book, Attendance Book, weekly Savings Sheets and Loan Record Sheets. From the Resolution Book it appeared that in weekly meetings FOs mainly discussed credit-related matters. Up to date records about savings and credit instalments and insurance premiums were maintained in each group.

The two groups which were found not to be functioning as smoothly as the others were both from the same village. Neither of these groups held regular meetings. The minutes of the last group meeting was dated in 1994. When meetings were held attendance was on average as low as 50 per cent. BRAC officials stated that members of these two groups had received training on leadership, family planning, paralegal matters, adult literacy and veterinary skills, but few members of the groups reported that they had received such training. The PAs could not specify the names of members concerned. It might very well be that the members concerned had already left the groups. Members of these two groups received loans four to five times and 40 per cent of them defaulted in repaying their loans.

During the group meetings members of these two groups voiced many complaints against BRAC. They stated bitterly that they did not have accurate information about their group savings record. According to them, BRAC management failed to show them the record of interest earned on their savings. Members of one of the groups maintained that it was largely because of such difficulties over the records that 53 members quit the group. The study team found that most of the remaining members were also members of the Grameen Bank. It seems likely that BRAC is losing some of its clients to Grameen Bank. Earlier, ASA was also operating in the area, but due to a low credit recovery rate it withdrew its programme.

Benefits received by members

- Loans

The savings rate of BRAC members varies between groups and from member to member. The official savings rate for these groups is Tk 5 per week. But members actually save according to their ability, generally in the range of Tk 2 to Tk 5. One women's group did not have any fixed rate of savings. The lowest amount was Tk 5 and the highest Tk 20. Accordingly, the total of individual savings of BRAC members varied. This has created

some confusion among the members, because every member must personally remember her total savings. Sometimes they do not agree with the amount stated in their passbooks. Under the system previously operated by ASA in the area, all members had equal savings and the situation was therefore more transparent to the clients.

Members of all eight groups were found to have regular access to credit. The amount of loan each BRAC client is eligible to borrow depends on her total savings. For each Tk 1000 loan, a client must have Tk 260 as savings. In addition the borrower must also deposit Tk 50 as security for every loan of Tk 1000. Therefore, a client who asks for Tk 3000 actually receives Tk 2850 cash in hand.

For its groups BRAC offers three types of loans. These are general loans, housing loans and project loans. The interest rate for general and project loans is 15 per cent on the initial balance and for the housing loan 10 per cent of the initial balance. An individual member can take all three types of loan, but the total loan to one member cannot exceed Tk 10,000 at a time. The maximum general loan disbursed among the members of the groups was Tk 6000, the maximum housing loan was Tk 2000 and the maximum project loan Tk 3000. The total number of members from each group who have received housing and project loans is around five. In order to qualify for a housing loan members have to save Tk 53 per week for thirteen weeks. This is done to check whether the loan recipient will be able to repay the extra instalments of the housing loan. The amount saved is returned when the housing loan is disbursed. The credit operation system of BRAC was found to be very efficient. Except for the two Tegoria groups the recovery rate was 95 per cent. Some 40 per cent of the members of the North Tegoria Group and almost all participants in the East Tegoria Group were loan defaulters.

- Training

In the case of training it was found that six entire groups have attended Functional Education (FE) courses. All members of BRAC could sign their names. One or two from each of these six groups have also attended leadership training. Five groups also mentioned that all of their members have attended a 28-day paralegal training. Two members from each of four groups have attended family planning training. The degree of retention of inputs from such training seemed quite high with some groups. For example a member of one of the women's groups mentioned that recently the group saved a member's husband from police harassment by using what they have learnt in their paralegal training. As the police came to arrest the man, his wife informed other members. Based on what they had learnt at the course the members inquired if the police had an arrest warrant. As the police failed to produce any warrant, the members accused the police of illegal arrest and they were forced to free the person. One of the members stated, 'we accept a

lot of harassment as we are not aware of our rights. This paralegal training course has been very useful to us'. BRAC group members stated that they have learnt about a range of topics from these paralegal courses, including the Act on Dowry Prohibition, Family Court Ordinance, Punishment for Polygamous Marriage Act and so forth.

BRAC also provides various types of skill-centered training to these groups. One member from each of six groups received paramedical training. The main focus of this course is to develop skills to detect common health problems like diarrhoea, headache and common cold. The paramedic buys a first-aid box after completion of the training and regularly buys common medicines from BRAC. These women visit door to door in their home localities with their first-aid box. The BRAC clients use the services of paramedics and buy medicines from them. If need arises paramedics advise clients to see trained physicians. The concept of female paramedic workers is highly appreciated by the women clientele. They stated that earlier they ignored their health problems as they had to approach formal places for treatment which was comparatively costly. Now they find it convenient to seek medical help whenever the need arises. Non-members also make use of the services of the paramedics. This has also created awareness among the villagers that this is not necessarily a man's job and that woman can also perform these tasks.

One member from each of three groups was trained in poultry vaccination. These three women now work in their locality as poultry vaccinators and earn a living from this. A few members from one women's group have undertaken training on sericulture. They have undertaken a project on silk-worm cultivation and are now involved in production of silk worms and thread. BRAC's PA on sericulture provides them with continuing technical assistance and BRAC buys the product from them. Four members of a men's group have undertaken training on pisciculture and are now implementing fisheries projects with the help of credit. A few members from each group have received training on vegetable growing, poultry rearing and veterinary skills.

BRAC officials stated that members of both the mixed groups have received training on leadership, family planning, paralegal matters, adult literacy and veterinary techniques. However, few members of the group indicated that they had in fact received such training and the PO could not specify those who had attended. It therefore seems likely that those trained have already left the groups.

Impacts of the BRAC programmes and members' assessment

Apart from in the two mixed groups, members were generally appreciative of BRAC's performance. Clients felt that BRAC training programmes are need-based and that they

directly help in increasing their income and/or employment opportunities. They particularly highlighted BRAC's ability to continuously provide credit to all its clients and stated that such an assured supply of credit helps some of them undertake relatively long-term and bigger projects. Technical assistance and back up support services of BRAC are also appreciated by the members. For example, members who are involved in pisciculture and sericulture stated that their production level and quality of output depends highly on the support they get from specialised PAs of BRAC.

BRAC's awareness building programme and training courses were found to be highly effective, and the practical skill-centred approach taken by BRAC has enabled many of its members to become self-employed. It was further found that female members of BRAC had more control over utilization of credit than their counterparts in some other NGOs. However, even in these BRAC groups about 50 per cent of the credit was utilized by the male members of the households concerned.

- Social impacts

BRAC has been able to make a significant impact on some aspects of the lives of its clients. For example, members from most of the groups stated that they have learned about hygienic latrines from group discussions. The PAs have informed them about the diseases that are spread due to use of open spaces for defecation. Members of two groups have been able to purchase pit latrines through their groups. In another case, members learned about toilet use from BRAC and have gradually installed pit latrines themselves. Members of one of the mixed groups stated that, before joining BRAC, most of them used open space but gradually over the years they have shifted to the use of exposed kutchha toilets. They still did not install pit or hole toilets. Earlier, all members of the other mixed group used open spaces for defecation, but now some of them use traditional exposed kutchha toilets, while others continue with their previous practice.

Preventive health care knowledge is disseminated to all clients through group discussions. Members stated that PAs have told them that they should wash their hands before taking food, go to toilet wearing slippers and not to use open space defecation. The PAs have also taught them how to make oral saline. The clients stated that they try to practice such lessons in their daily life and the use of oral saline for diarrhoea has become a common practice.

It was found that children of all group members have been immunised. They also mentioned that many pregnant mothers are immunised. Although these services are provided under the Government's Expanded Programme of Immunisation, members mentioned that it was the BRAC workers who motivated them to use the services. A member from a

women's group recalled that, when children began to develop a having temperature after being vaccinated, some members panicked and wanted to stop vaccinating their children. It was the BRAC workers (and not the government health officers) who made them understand that there is nothing unusual in having a temperature after being immunised. They explained that this proves that the vaccine is having its desired effect in the child's body. On being reassured the members continued with immunising their children.

All group members stated that they have access to safe drinking water from tubewells. In fact the project area is situated on the outskirts of Habiganj city, so in a good number of cases the tubewells were installed under local government programmes. However, some members mentioned that they themselves installed tubewells in their premises. Some other members, who did not have easy access to a tubewell, tried unsuccessfully to obtain a loan from BRAC for this purpose. Some members have used part of their general loan (provided for income-generating activities) and/or housing loan to install a tubewell.

BRAC provided six months of functional (literacy) education to seven of the groups studied. The other group did not have the required number of members and as such could not avail of the course. A few members from each group already had some years of formal schooling, while others have already attended functional education courses. Implementation of its functional literacy policy was found to be more rigorous by BRAC than other NGOs. Members only qualify for loans if they can sign their names. Some have also acquired basic numeracy knowledge from this training programme. The members mentioned that they have also learnt about the status of women in society and the family and about such institutions as dowry and polygamy.

All school-aged children of BRAC members attend school. In the areas where BRAC groups were studied, there were both BRAC NFPE schools and government primary schools. Before NFPE started, members' children used to go to government primary schools, but most members stated that they have now moved their children to the NFPE schools because they are considered better than those of the Government.

As an example of the perceived differences, a member of a women's group stated that when her child was going to government school the teachers did not teach at school hours and instead insisted on private coaching after hours for fees. But BRAC schools do not require such private coaching. Moreover BRAC holds monthly meetings with parents and informs groups if students do not attend regularly. The groups then motivate the concerned family to send their children to school regularly.

On the other hand, in the area of one of the mixed groups, the NFPE school was closed down because it could not retain the requisite number of 40 students. Some BRAC

members stated that where the government 'food for education' programme is available the children usually go to government schools.

Primary school teachers of Umidnagar government primary schools noted that some of the students whose parents became members of the BRAC credit programme have since left their schools. They believe that BRAC workers influence group members to withdraw their children from government schools and to enrol them in BRAC schools. Members feel obliged to do so because they gain access to credit through BRAC. However, these children come back to the government schools after one or two years because they reach the end of the NFPE programme. Some members whose children have completed BRAC schooling stated that the BRAC programme is too short and that their children would have benefited more if BRAC schools offered courses of longer duration. However, according to both BRAC members and other local residents there has been a substantial increase in the enrolment of students in both government and BRAC schools in recent years.

Few examples of demonstrations of any collective power of BRAC members were reported. In the Habiganj area, for example, clients of BRAC were not involved in any collective leasing of market places, water bodies or land. Nor did any of the groups recall any incident of accessing government khas land through an organised group effort. In any case, as most are not involved in farming they do not have much knowledge about khas land in the locality. They have also not been involved in any action regarding increases in local wage rates.

There have been some instances where mulberry plants of BRAC clients have been destroyed. None of the groups studied organised any joint effort against such problems. Nor did they participate in any other mobilisation effort concerning violations of human rights. In other words, the group organisations were mainly used as credit delivery channels and do not lead to any substantial degree of social empowerment of members.

None of the members of the groups studied have been involved in local- or national-level electoral bodies. But the members reported that now that they are organised the electoral candidates take them more seriously than before. They now visit their groups and seek their support. The female members felt that this demonstrated their importance in the wider societal context. The members further reported that this has made them conscious about the collective power which they can exercise through votes. Moreover NGO workers also made them aware about their role in elections. Accordingly over the years they rigorously practised these rights. This has certainly contributed to the massive increase in the number of female voters in the last two elections.

Among the NGOs studied the greatest amount of employment for women has been created by BRAC and the proportion of women who utilise at least a section of the credit

themselves is also higher. The women believe that this has contributed to the improvement in their status in their families. Their husbands treat them with more respect and now they have a say in some family matters, especially on matters of children's education and health. In cases where husbands utilise the loan money of female members, they do so in consultation with their wives.

Benefits from increased awareness of legal rights have already been mentioned. Members stated that they have learnt a broad set of rules from their paralegal courses. These include the Act on Dowry Prohibition, Family Court Ordinance and Punishment for Polygamy Marriage Act. But almost all clients felt that dowry, polygamy and early marriage are practices that are very hard to change. They were sceptical if they could do anything through their organization on these issues. One woman member stated that 'the BRAC brother motivated us to send our daughters to school. But the reality is when I educate my daughter then I have to look for an educated husband for her. For an educated son-in-law I will have to pay quite a lot of dowry.'

Members from a women's group stated that the practice of dowry is prevalent in Habiganj area. They felt that in Habiganj the status of a bride is determined by the amount of dowry she brings with her. They also mentioned that if a bride fails to bring in the promised amount of dowry, in cash or kind, she is subjected to a lot of verbal abuse. This gradually leads to physical abuse. However they were hopeful that once their economic status improves, their position as partners in marriage will also improve. So they were more concerned about improving their economic status through NGO activities than with organising marriage without dowry or protecting women from the ill effects of this institution.

In another area in all three groups few members were found whose husbands were polygamous. Through group discussions and television awareness campaigns all the group members had come to understand that a second marriage, without the consent of the first wife, was invalid. But the members stated that these laws do not have much strength in the face of social reality. Even their group solidarity is not strong enough to intervene in such situations. Members from the mixed groups stated that, although verbal divorce is illegal, it is very much the practice in their area. But they also could not mention any organised effort in their locality against verbal or arbitrary divorce and where arbitrary divorce took place the groups could not mention any incident of helping the victim in getting alimony.

A change noted by members is that whereas marriages used not to be registered in their area, recent marriages are mostly registered. The NGO workers made them understand that unless a marriage is registered, then later if any problem arises the aggrieved party

cannot take any legal steps. So now they usually register their marriages. Within the Hindu community, marriage registration is not practised because of religious beliefs, but desertion and divorce are in any case rare.

- Economic impacts

Members from all of the groups studied mentioned that they have made substantial economic gains from their membership of BRAC. They stated that BRAC has been able to continuously provide them credit for many years. At the same time they have also received training and technical assistance from BRAC on the economic ventures they have undertaken. This has resulted in raising their income.

Discussions with BRAC members showed that many have been able to increase their income significantly following their membership with BRAC. However, it is evident that those members who are able to significantly change their economic status are often those who had a relatively strong economic footing to start with. Such members can even change their landholding pattern from BRAC income, but the majority stated although their income did rise due to BRAC's intervention, the improvement was not on such a scale that it would alter their land holding pattern. Certainly, the condition of the homestead of many clients has improved. The family members' nutritional level has also improved due to better dietary habits, as well as increased income flow. However, for many BRAC clients' dependence on money lenders is still quite high. This is particularly the case for members whose economic enterprises are larger than average and therefore need more cash flow.

Inter-NGO and NGO–Government relations

In Habiganj Sadar area BRAC, ASA and Grameen Bank are operating as well as a few local NGOs. There exists no formal coordination of NGOs in Habiganj Sadar. These NGOs implement their grassroots-level programmes more or less independently, without formally sharing information about each others' target areas. The area manager of BRAC stated that he informally interacts with ASA staff and that through this means they share information about each others' projects. In the study area it was found that grassroots workers of the different NGOs had little interaction with one another.

Overlapping of NGO membership was found to be quite prevalent in Habiganj. In one village where both ASA and BRAC groups were studied, six persons were found to be members of both ASA and BRAC. In that area ASA activities preceded BRAC's. As stated earlier in both mixed groups, many BRAC members were found to be members of Grameen Bank.

In Puthia and Paba thanas of Rajshahi region where CARITAS work was studied, it was found that many CARITAS members were given membership by BRAC and some are still maintaining dual membership. In another area, two new BRAC groups overlapped with those of ASA. In Tanore, CCDB has been working since 1978, while BRAC has recently moved in. Since then, major overlapping of membership has taken place between the two organisations. Of course, other NGOs were also found to be overlapping with each other, but the problem was most acute with BRAC. BRAC local management stated that they are aware of the problem, but so far no effective monitoring system has been developed to check the situation.

Fieldworkers of ASA, CCDB and CARITAS were of the opinion that BRAC was expanding its programmes very rapidly. They stated that BRAC workers are given a set target for forming groups within a certain time frame. In most cases it is very difficult to reach such targets. Then as an easy way out, BRAC grassroots workers begin to take members of other NGOs as their own clients. In following such a method they do not have to work hard to prepare the groups as most 'new' members already know how NGOs operate. The other NGO grassroots workers, however, viewed this as an unethical practice.

The Deputy Commissioner's office at Habiganj has started organising a bi-monthly meeting with the NGOs. The area manager of BRAC stated that BRAC was represented in all the three meetings so far held. At the time the meetings started, BRAC faced a problem with the destruction of many of its mulberry plants on its project sites by some locally influential people. (BRAC members involved in sericulture activities often grow mulberry plants on public road sides). This problem occurred shortly after the event of attacks on schools run by BRAC, alleged to have been instigated by Moslem fundamentalists. BRAC raised these issues at the bi-monthly meeting and received the cooperation of the district administration. The DC took necessary action and such incidents did not recur. The area manager stated that from then on BRAC makes serious efforts to keep in touch with the district administration.

The DC of Habiganj commented that so far BRAC and some other NGOs that he had encountered do good work at the grassroots and their efforts in the development process of the country are important. But from his viewpoint, the problem with the NGOs is that they only come to see government functionaries when they are in trouble. He stated that as the head of the district he did not have enough information on BRAC projects in the area. For example, the NFPE programme of BRAC is a good programme. But this programme sometimes overlaps with government schools. Since he does not receive advance information on BRAC's intention to open non-formal schools, his office cannot check for overlapping of services and coordinate Government-NGO resources in such a way that the maximum number of students can benefit.

9.1.4 Results of other evaluations of BRAC programmes

Rural Development Programme Impact Assessment Study

The BRAC Donor Consortium (of which Novib is a member) for RDP and BRAC management commissioned an Impact Assessment Study (IAS), which was released in February 1996 (Beacon of Hope: an Impact Assessment of BRAC's Rural Development Programme).

The IAS attempts to measure the following as key indicators of RDP's impact:

- material well-being of member households;
- vulnerability to seasonality and crisis coping capacity;
- changes in women's lives;
- development of village organisations as institutions.

The IAS included substantial field research (conducted in 1993 and 1994) including the construction of village profiles of 150 RDP and 75 non-RDP villages, 24 village organisation case studies and a household survey covering 1,500 RDP and 750 non-RDP households.

- Key findings

During its history, the RDP showed a shift of emphasis in the late 1980s towards an ever greater concentration on female group membership. This reflected BRAC's finding that women have a 'positive attitude towards participation in development activity', that they are more interested than men in saving and that women are generally engaged in some form of economic activity. This shift towards female predominance over the last ten years is reflected in the average duration of membership, which is higher for males (43 months) than for females (23 months). Longer membership is closely related to the amount of credit taken from the RDP. Male borrowing increases from an average of less than Tk 2,500 for those with less than one year's membership to Tk 14,000 for those involved for more than 6 years. Among females, the figure increases from an average of less than Tk 1,000 to Tk 10,000. Overall, male and female borrowers received similar size loans of around Tk 2,500.

In terms of improvements to material well-being of households, the IAS shows that before these become substantial, a household must participate in the programme for a considerable time and receive a sizeable amount of credit. A measurable impact is achieved with a minimum length of membership of 2.5 years and with a cumulative credit of at least Tk 7,500. Factors which characteristically improve include; value of

house structure, livestock holding, living space per person, quality of roofing material, consumption expenditure and food stock.

Officially, BRAC loans should be used for a productive purpose. IAS found that 63 per cent of loans to males were stated to be for rural trading, with no other category above 10 per cent. Among females, 59 per cent took a loan for trading, a further 17 per cent for food processing and 11 per cent for livestock.

With regard to household vulnerability, the position improves substantially (particularly for female beneficiaries) with the amount of credit received. The proportion of households in the 'severe food deficit' category declines from 39 per cent among those with no loan to only 12 per cent of those with a loan greater than Tk 10,000. Supporting material from the case studies suggests that longer-term participants have been able to reduce their vulnerability in the lean season through diversification of income sources enabled by prolonged access to credit. The mainstay of such additional income appears to be petty trading and shop-keeping. Those who have participated for a shorter time resolve seasonal crises by resorting to means which damage the household's resource base, such as selling assets or taking loans from high-interest money-lenders. Informal borrowing for consumption purposes declines substantially according to duration of membership and amount of credit for households of both male and female members; from 55 per cent to 32 per cent of loans taken by males and from 67 per cent to 41 per cent by females in the lowest to highest RDP participation categories.

Although loans are made to female participants, in the majority of cases it appears that males control use of the money, with varying degrees of input from the formal beneficiary. This appears to relate not only to factors of status and control within the household, but also to a lack of investment opportunities for women. However, IAS indicates that the status of female borrowers within the household improves as a result of the increased economic opportunities which they afford their husbands. Opposition voiced by males to female participation in group activities is also said to decline over time as the value of their contribution is more clearly established. Those women who receive training in specific skills such as poultry vaccination, chick rearing or village health work are said to attain particularly enhanced status.

Within the VOs studied in the IAS, discipline and enthusiasm were more evident in newly formed and among women's organisations than in longer-term (particularly over 4 years) and male groups. Attendance at meetings declines substantially over time and in some cases members deposit their saving and loan repayments directly to group officers or NGO field staff, in the case of women via a male household member or a child. In some areas, BRAC programme assistants were found to collect dues on a door to door basis.

It appears that financial discipline can often be sustained even among VOs that rarely meet.

With regard to collective involvement of group members in social or economic activities, this has declined from a high level in the early years of RDP to the current time. It appears that the former monthly 'issue-based meetings' which formed part of the Functional Education component of RDP are now rarely held. This is likely to be related to the increased pressure on field staff to perform in the area of credit and, to a lesser extent, technological activities.

The IAS found many problems with the workings of Village Organisations (VOs). Members of such bodies who have participated for a long time in RDP expressed discontent with the high number of policy changes which the programme has gone through and with the failure of BRAC field staff to explain such changes. There is a feeling that the level of interaction between field staff and members has steadily declined, except in connection with credit. Field staff themselves indicated that the requirements of RDP are so demanding on them that they have little time to deal with specific needs voiced by groups. Groups formed during the earlier Outreach Programme noted that under the current situation motivational (i.e. 'conscientization') aspects have declined because of inadequate interaction with field staff.

The IAS discovered that although the VOs all have a management committee, these are in practice usually controlled by one person, either the chairperson or secretary. Members are often unaware of the identity of the other committee members. Leaders, particularly among male groups, tend to be selected because of their extensive kinship ties and higher socio-economic status than the other members. Among female groups, attributes such as a dynamic personality and absence of a large family to look after are important for selection to a leadership position. Thus the leaders of the two groups are likely to show opposite characteristics from one another. Male leaders tend to be better off and females poorer than the general membership.

Members of older village organisations have some knowledge of the broad principles of BRAC credit schemes, but among all groups there was little awareness of the interest paid on member's savings accounts.

With regard to social attitudes, in areas with a long tradition of BRAC groups, the acceptability of women participating in meetings in public or at BRAC offices has risen among men. However, there has been little impact on other issues such as dowry payment, which is rooted in the local economy and generally seen by group members as unavoidable.

Group members expect to receive their benefits on an individual rather than a collective basis. Members of older groups regard the savings component of the programme as very important and have in many cases accrued substantial savings during the course of their membership. New members had far more diverse expectations of BRAC, often concentrating on relief handouts or passive benefits such as provision of drinking water, loans, access to education for their children and so forth.

An analysis of material benefits from participation indicated that a high proportion of dependants in the household reduces the level of per capita expenditure, eroding the benefits obtained. On the other hand, families with more working age members are better able to increase household income as in response to credit received. The impact on material well-being of participating appears to be greater for households with little or no land (less than 0.25 acre) than for those with a relatively large (more than 0.51 acres) holding. This is particularly so for females in terms of such benefits as per capita wealth, food security, value of housing and consumption expenditure. With regard to control over the loans, older women and particularly those in female headed households are more favourably placed than younger wives with children, since these tend to pass the loan directly to their husbands.

Vulnerability to seasonal difficulties was found to be less in villages served by all weather roads and with convenient access to towns or market places. The combination of such circumstances with access to RDP credit allows accumulation of sufficient funds to cope in the lean season or to find alternative sources of income. In less well-situated areas, members are still inclined to resort to selling assets or borrowing from informal money lenders.

The case studies conducted as part of the IAS found the relationship between access to BRAC credit and use of informal money lenders to be a complex issue. However, the studies produce some evidence that the average amount of informal credit taken declines with increasing membership length and that the proportion of money borrowed from such sources which is used for consumption or hardship purposes declines and that used for productive investment increases with longer membership.

It is notable that RDP savings do not play a role in improving household security in the lean season. This is because they are not accessible to members in times of need, which IAS found to be an issue of concern to many members. Savings are a long-term asset with no liquidity. In a limited proportion of its groups, BRAC is conducting an experiment in 'current account savings'. In one such group studied by the IAS, it appears that members of the VO were unaware of this new possibility open to them.

The IAS found that older groups show an increasing drop out rate. Since it is clear that poverty alleviation is associated with receipt of substantial credit over a long term, this suggests a reduction in the potential impact. Reasons for this phenomenon are not clearly indicated by the study, but it appears that they include:

- perceived frequent changes in programme rules and procedures;
- harsh measures taken to ensure credit discipline, including forcible sale of household items to raise money for loan repayment;
- absence of provision for withdrawal of savings to meet hardship needs;
- unrealistic expectations raised by some BRAC staff during group formation process;
- conflict among VO members;
- inability to meet VO meeting attendance and other requirements.

Targeting efficiency of the programme in recent years has improved for females but declined for males. Among males who joined BRAC groups in the last year, nearly half were outside of the main target group (i.e. owned more than half an acre of land). It appears that field staff consider themselves under pressure to demonstrate adequate membership figures rather than to meet selection criteria. It also appears from some of the IAS evidence that the presence of some higher status members in a group may have benefits on financial discipline. Although targeting accuracy has recently declined, the IAS estimates that overall only 15 per cent of male and 8 per cent of female participants are in the non-target category, with another small proportion in the ‘marginally target’ category owning from 0.51 to 1 acre.

With regard to the gender division of labour, it appears that long-term participation in RDP has little impact on this. Over time, men take less of a role in deciding how women use their own earnings, but fundamental decisions on accessing RDP credit remain a male responsibility. Three factors are cited as explanations for this. Firstly, there remain relatively few opportunities for women to invest credit, particularly larger sums. Secondly, women may be unwilling to expose the household to financial risk without the husband’s leadership. Thirdly, the household economy permits women to undertake small-scale and less commercial investments, but assumes that men will engage in larger-scale commercial activities.

A fundamental finding of the IAS concerns the performance of village organisations. According to the RDP proposal, ‘BRAC aims to develop self-managed village organisations, promote self-reliance, and enhance the capacity of the poor to participate in the national development process’. The institutional development process is seen (RDP Phase II Report) as a long one, in which BRAC plays the following role:

- formation of VOs with 20–55 members, with a management committee and comprising a number of smaller joint liability credit and loan groups;

- introduction and maintenance of VO discipline (weekly meetings, monthly issue-based discussions, regular deposit of savings and loan repayments, participation of members in VO affairs and discussions);
- raising members awareness of rural power relationships and self-esteem through a social awareness programme and issue-based meetings;
- training of selected members in leadership, managerial and human relations development;
- encouragement of use of internal and external resources by group members and creation of opportunities for income and employment generation;
- motivation of members to participate in local affairs and community decision making.

The Impact Assessment Study found little suggestion of progress towards the broader social aims of RDP. Rather, group members have declining interest in activities apart from finance, prefer to leave leadership tasks those in official positions and do not use the network of village organisations as an alternative to their existing contacts. Furthermore, field staff see ‘social’ aspects of the groups as less important than the technical and financial components. As well as a lack of achievement on these dimensions, the study found ‘confusion and lack of understanding’ concerning the multiple purposes of village organisations, not only among group members but also among BRAC staff.

The IAS study team suggest that BRAC’s original vision of village organisations playing a key role in the village, region and eventually national socio-political environment was over-ambitious. It appears that group members are currently largely unaware of such intentions and have no expectation of reaching some form of autonomy from BRAC. As VOs become older, attendance at meetings declines, but financial discipline largely remains, indicating that access to credit is seen as the fundamental purpose of the VOs. This situation cannot be expected to change, since BRAC staff are fully occupied with financial and technical aspects of their work and attach less importance to broader social goals.

However, it appears that the findings of the IAS are not a major surprise to BRAC management. In the RDP-IV Project Proposal it is stated that:

RDP will put more emphasis on the quality of its work particularly in social development activities. It will concentrate on ‘Programme deepening’ instead of ‘Scaling-up’. The number of staff conducting ‘issue-based meetings’ has been increased from 2 POs (Programme Organisers) to 10 PAs (Programme Assistans) per area office. These PAs along with their credit and savings related responsibility will conduct these meetings. Measures will be taken . . . to simplify their credit and savings related work which would give them extra time to carry out their additional responsibilities.

It seems that the increasing pressure placed on BRAC field staff over time has also changed the nature of their relationship with group members. The IAS case studies noted that members of older groups complain that interactions have become less flexible and more formal over the years. An indicator of this process is that BRAC field staff are now no longer addressed as ‘brother’ but as ‘sir’ by their clients. Group members feel little sense of ‘ownership’ of the BRAC programme, and the VO is seen as simply a credit group run by BRAC field staff who have little flexibility to respond to local perceptions of need. Together with this view is a lack of any expectation that the group should move towards a situation in which it will carry out developmental activities for itself. BRAC staff themselves did not seem to differ substantially in perspective from group members. They confirmed that they feel obliged to apply the rules rigidly and that they have little scope to respond to individual requirements.

With regard to the credit programme, the IAS found some demand for additional types of loans; namely for larger loans to enable the development of cottage industry and for agricultural loans which can be repaid on a seasonal schedule.

The IAS did not make an extensive study of NFPE, but used case study material to draw some preliminary conclusions about its performance. The evidence presented suggests that the NFPE schools are serving mainly (60 per cent) children from outside of the traditional BRAC target group (i.e. functionally landless households). Indeed it seems that in many areas the relatively affluent prefer to send their children to BRAC schools because the quality of education provided is better than that provided under the government system. The interpretation of these observations is not straightforward. It appears that in some locations poor children did receive priority for enrolment, after which others were admitted. In other areas this principle did not seem to have been applied. The high proportion of non-target entrants may also reflect inappropriate school location. This may reflect the perceived high quality of the NFPE schools, which is such that villages and VOs will put in considerable effort to have such a school within reach.

9.1.5 Key findings for evaluation of poverty alleviation through NGOs

- BRAC began its operations in 1972 with relief and rehabilitation work.
- It then tried to promote sustainable development, through building the capacity of the rural poor by multi-sectoral village development programmes.
- To avoid appropriation of benefits by the rural elite, it then adopted a target group approach, with a concentration on women.
- Its interventions aim to assist the poor to build their own institutions, through which local leadership and organisational skills can be developed, with the intention of enabling them to function on an independent and sustainable basis.

- BRAC is a big NGO, with 1.6 million members, 92 per cent of whom are female.
- BRAC operates a broad variety of programmes, including the Rural Development programme (RDP), the rural credit programme (RCP), the Non-Formal Primary Education Programme and human rights and legal education activities.
- The biggest programme is the RDP, which provides credit and savings support, education and technological services, and institution building.
- The credit programme operates as a revolving loan fund and has the support of a range of technical training programmes.
- It is intended that after four years participation in RDP, groups will move into RCP, which is able to sustain itself without BRAC subsidies and effectively operates as a rural bank.
- Most of the groups studied function smoothly and meet regularly, although there were exceptions.
- Members of all groups have regular access to credit.
- BRAC has three types of loan: general, housing and project loans and a member can take all three types, but with a maximum total amount.
- The credit recovery rate is high.
- All group members have attended the Functional Education Programme and most also have received para legal training. Retention of information is high.
- Members do not feel able to change fundamental social practices such as dowry and polygamy, but more marriages are now registered.
- BRAC clients generally feel that the services provided are good and directly help raise income and employment possibilities. The regular supply of substantial amounts of credit is highly valued, as are the technical support services. Members report economic gains in participating.
- About half the credit extended to women is used by male household members.
- Health and hygiene practices have improved as a result of group discussions and training.
- Few examples of collective social empowerment initiatives have been taken by members, but participation in elections is high.
- Many women directly take part in economic activities with BRAC assistance and others report improved status as a result of participating in group and credit activities.
- Although many NGOs operate in the area studied, there is no formal coordination between them. Overlapping membership of NGOs is prevalent.
- BRAC participates in bi-monthly meetings organised by the Deputy Commissioner's office, but the DC feels that more information sharing and cooperation between NGOs and government is needed.
- An Impact Assessment Study of BRAC has shown that improvements to material well being of households occurs after a minimum length of membership of 2.5 years, with a cumulative credit of at least Tk 7500.

- The proportion of households in the sever food deficit category declines substantially with access to regular loans.
- The impact study found little evidence of progress towards self-sustaining village organisations and that members prefer to leave leadership roles to BRAC staff.

9.2 The Community Development Association (CDA)

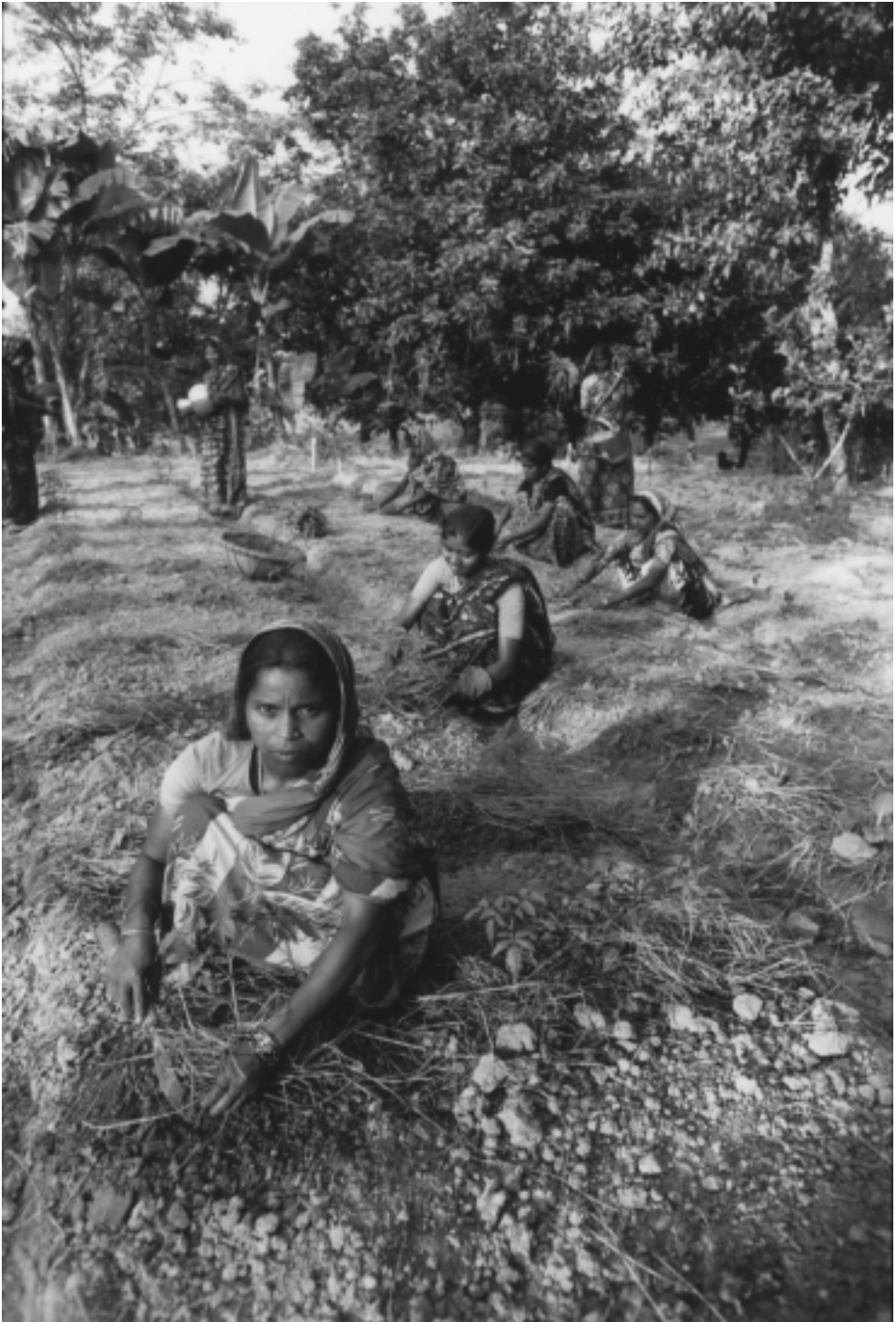
9.2.1 Background

The Community Development Association is a local NGO of Dinajpur district. It started its operation in June 1986. CDA is the offspring of a project of the Unitarian Service Committee of Canada (USCC). During the war of liberation of Bangladesh USCC was involved in relief operations in the refugee camps in neighbouring India. After Independence USCC shifted its operation into Dinajpur district of Bangladesh. In 1982 USCC began a Community Development Programme focusing on women and children. In 1986 USCC phased-out its direct implementation activities in Bangladesh, but a section of the local staff decided to continue the project with initial support from OXFAM UK. By 1989 the area covered by the project had expanded and from this time, together with OXFAM, Novib became one of its major donors. At this stage the community development programme transformed itself into the Integrated Rural Development Programme (IRDP).

9.2.2 Programmes

CDA's work area covers two districts, Dinajpur and Thakurgaon. In Dinajpur its activities are spread over four thanas, namely Birol, Kaharol, Birganj and Bochaganj. In Thakurgaon they are working in three thanas, Priganj, Ranishankail and Haripur. CDA plans that in all its projects it will form a total of 2000 groups with 40,000 members in these areas by the end of 1996. As at February 1996, under the IRDP, CDA had organised 1004 groups with a membership of 14,032. Of these 6362 were male members and 7706 were female.

The general objective of the organisation is to uplift the social, economic, environmental and cultural condition of underprivileged people, in order to establish a socially, economically, and ecologically balanced society. Therefore, the target groups of CDA include the landless, powerless and otherwise vulnerable people who live below the poverty line and do not have meaningful access to resources. In concrete terms CDA's target population constitutes men and women who own less than one acre of land and thus are effectively landless and those labourers who maintain their livelihood by selling their labour at least six months a year.



Reafforestation: women in a tree nursery project of Proshika in Sakhipur (Photo by Ron Giling/Lineair)

Presently CDA is implementing six projects in the above mentioned areas. These are the Integrated Rural Development Programme Phase III, Village and Farm Forestry Programme, NGNESP, acting as subcontractor on BRAC's Non-formal Primary Education Programme and assisting a local NGO in the development of a Management Information System.

An outline of the programmes and projects is as follows:

The Village and Farm Forestry Project. The Village and Farm Forestry Project of CDA is funded by Swiss Development Cooperation. SDC has been funding the project since 1987 and it is due end in 1997. The aim of the project is to improve the environmental condition of Dinajpur by increasing the number of trees in homesteads and on khas (government) lands through developing nursery facilities. The total budget of the project is Tk 2,080,000.

NGO Gardening and Nutrition Surveillance Project. The NGNESP project of CDA is funded by Helen Keller Foundation for the years 1995–96. The aim of the project is to improve the health and nutritional status of rural poor people and at the same time to increase their income. Under this project CDA is involved in developing tree nurseries and intensifying kitchen gardening among the poor. The total budget of the project is Tk 600,000.

Non-Formal Primary Education Programme. BRAC has subcontracted the implementation of NFPE in four thanas of Dinajpur to CDA. This project also started in January 1996 and will continue until December 1999. The total budget of the project is Tk 281,194. CDA has also received a grant from OXFAM to undertake a non-formal primary education programme for 'drop out' children. This project started a year before than the BRAC subcontracted project. The project is due to end in December 1997 and its total budget is Tk 488,806. In the implementation of this project CDA follows the BRAC approach.

Assistance to other NGOs. CDA is providing technical assistance services to other NGOs and earning some income for itself. It is helping a local NGO to strengthen its research and monitoring through development of a management information system (MIS). Its earning from this source has been Tk 48,000.

The Integrated Rural Development Programme. The IRDP has already completed two phases. The first phase lasted from 1989 to 1991 and the second from 1992–1995. The programme is currently in its third phase, due to end in 1998. This programme was chosen as the IOV Evaluation case study.

9.2.3 Findings of the IOB evaluation case study

Area studied

Of the eight groups of Dinajpur which were selected for field study, six were female groups and two were male.

Aims and objectives of the programme

The Integrated Rural Development Programme is the core programme of CDA, which it has been implementing in one form or another since its inception. As mentioned earlier, it is currently in its third phase, which is due to end in December 1998. This programme is funded jointly by Novib, OXFAM and Bread for the World. The total budget of the programme for the third phase is Tk 103,660,258. The specific objectives of the IRDP project are: the reduction of poverty through empowerment of the poor socially and economically; the reduction of environmental degradation; the promotion of human rights. This programme is implemented in all seven thanas of Dinajpur and Thakurgaon.

Programme activities

CDA has a two-tier organisational structure, head and field offices. At the head-office level, there is a thirty member general body which meets once a year and decides on the broad policy guidelines for the organisation. Below this, the executive committee of the organisation consists of eight members. The Executive Director (ED) is the ex-officio head of the executive committee. The other seven members are elected by the general body members for a two-year term.

The ED is directly answerable to the executive committee as the head of the organisation. In the organisational hierarchy he is followed by the Accounts Officer. Under the ED there are six programme heads. They are in charge of Field Operations, training, education, women in development, sustainable land use and credit. Altogether in the head office there are 23 staff, 17 of whom are male.

The second tier of the organisation is the field office. In its seven thanas CDA works through six field offices. Each field office has an area coordinator and a credit assistant and six village organisers. In two areas, as the number of groups has expanded, there are two extra village organisers. At field level therefore, CDA has 60 staff, of whom 35 are male and 25 female.

Activities undertaken under IRDP can be divided into four steps. These are organisation development, awareness raising, economic development and social action. Organisation

development is the first step which entails group formation, the holding of regular group meetings and the development of a savings habit. The second element includes training in various aspects of social and economic awareness, whilst the third element is geared towards the economic improvement of the members through savings and credit and skill-centred training. The final element is to undertake organised action against social injustices and also to establish poor people's access to various state and local resources. Specific elements of the four stages are as follows:

Organisation Development

- site selection/survey
- group formation
- motivation
- savings
- management

Awareness Raising

- human rights
- gender
- nutrition
- literacy

Economic Action

- income generation from savings, credit and training
- vegetable gardening
- nursery development training
- animal husbandry training
- demonstration of compost fertiliser preparation

Social Action

- protest
- legal action
- access to state resources.

Beneficiary groups and organisation

Five of the groups were formed in 1994, and the other three in 1989, 1990 and 1992. Members of one group said that they formed it in 1989 to take up organised action against social injustices affecting women. They stated that in their area the wage rate for women was much lower than men. Such problems cannot be solved individually. They formed groups to demonstrate their collective power. They also needed credit and the local money lenders charged exorbitant interest rates. Therefore, they decided to form their own credit fund.

Members of another group stated that it was formed so that its members could gain access to legal assistance and credit. Members of a women's group said that they were

initially eager to form a group under Grameen Bank, but their husbands prevented them from joining on the ground that Grameen was very strict in its loan recovery methods and that one had to pay loan instalments even if there is death in the family. Moreover group meetings of Grameen are conducted by male workers, which it was not regarded as appropriate for local women to attend. At the same time the women came to know that a female CDA worker had formed a group in a nearby village. They met this organiser and gradually formed the group.

All of the groups studied, except one, are regular with their group activities. One male group does not meet regularly and when it does, only about half the members attend. This was poor compared to the other seven groups in which on average 75 per cent of members attended the meetings. The average size of membership of the groups was 13. Members stated that in the group meetings the organisers held discussions on the legal rights of men and women, social exploitation, health and hygiene issues. Group members contributed to two types of savings. They saved weekly Tk 2–5 as individual savings and Tk 1 for the organisation fund.

CDA members manage their savings themselves. The organisation fund is non-refundable and is retained as the emergency fund of the group. During crises, members can borrow money from this fund, but have to pay this back with nominal interest. In order to receive credit from CDA a member must have paid his/her dues to the emergency fund. Members also have access to their individual savings. The members of all the eight groups were found to be regular in their savings. They were also found to withdraw money from their savings when they are ready to undertake income-generating activities. Therefore, the total amount of savings of the groups does not remain very high. Groups usually keep the remaining savings in a bank.

Benefits received

- Credit

CDA members receive credit from two sources, their individual savings and CDA channelled credit. Most of the group members have borrowed against their own savings, but these amounts are very small. A CDA loan cannot be provided to all members of a group at once, nor is CDA able to provide credit continuously. Until last year CDA was charging 10 per cent interest on the diminishing balance. This year it has increased its interest to 20 per cent, again on the diminishing balance. In the beginning of 1995 one of the groups was formed. It has received a loan on one occasion. Out of its 15 members, 8 have received a total of Tk 12,000 credit. Six members took Tk 1500 each and two members Tk 1000 each. This group received training on Chinese methods of paddy cultivation and

all of its members stated that they used the credit for this purpose. The credit recovery rate of the group to date is 100 per cent.

The second group was formed in 1994. Since then CDA has provided credit to the group two times. Six members received a loan on the first occasion. Currently four members have taken a Tk 12000 loan between them. This group had fifteen members at the beginning, but 5 members left the group and joined Grameen Bank to gain access to larger loans. They were not satisfied with the amount of loan that CDA was providing. The third group was formed in 1994. It has received loans two times. Six members received a total of Tk 12,000 loan the first time, while all 12 members received a loan the second time with the total amounting to Tk 22,000. The repayment record of this group is 100 per cent. The fourth group was formed in 1992 and 9 out of its 15 members received a loan in 1993. A total of Tk 19,500 was equally shared by these nine members. But six of these have yet to clear their repayments, so the group has been unable to receive a second loan.

The fifth group was formed in 1990. Since then it has received two sets of loans amounting to Tk 20,000. Although the repayment rate is 100 per cent, the group has not received any further loan for the last two years. Some of its members joined the Grameen Bank to get seasonal loans. The sixth group which was formed in 1994 has received loans two times. On the first occasion 3 members received Tk 1500 each, while on the second 9 members received Tk 2000 each. The first loan was approved for goat rearing but members stated that they actually installed a tubewell instead with the loan, since access to safe drinking water is a major problem in the area. The second loan was provided for cattle rearing, but not all members have invested the loan in that. For example, the cashier stated that she was in debt to a money lender, so she paid back that loan with the CDA credit. The seventh group was formed in 1989, since when it has received CDA credit three times. The first time 6 members received Tk 500 each. The second time 16 members received credit, with 10 members taking Tk 1000 each and 6 others Tk 500 each. The final group was formed in 1994, since when it has received loans two times. The first time six members received a total of Tk 8500 and the second time the other seven members received a total of Tk 12,500. The recovery rate was 100 per cent.

- Training

CDA greatly emphasises the need for training. A number of members of the groups studied have received various types of training from CDA. For example, altogether six training courses were provided to one of the groups, with five members receiving training in plant nursery management and one in accounting. From another group only two members received formal training, one on group management and the other on animal

husbandry. From a third group four members received training, three on intensive kitchen gardening and one on account keeping. From a fourth group five members received training on nursery management, three members on intensive kitchen gardening. The whole group participated in a demonstration of compost fertiliser preparation. So far only one member of a fifth group has received training, on group management. From a sixth group two members received a four day health and nutrition training and one member a ten day traditional birth attendant training. The president of the group undertook two courses, one on leadership and the other on nursery management. All the groups have received adult literacy training. CDA followed the BRAC modules for its adult literacy training.

Impacts of the programme and members' assessment

- Social impacts

Members of one group stated that five of them received latrines through CDA. One member from the same group has installed a tubewell with a loan from their group savings. A member of another group has received funding for a latrine. Except for these few, the members did not receive such direct benefits, but some stated that the awareness building efforts have benefited them. Among another group, members claim that CDA has made them aware of the ill effects of using open latrines.

Members have learned the preparation of oral saline solution and basic hygiene from CDA. Many groups stated that their membership with CDA has had a major impact in diversifying their food production and eating habits. They grew only a few types of vegetables earlier. CDA has given many of them training on intensive kitchen gardening, which taught them which vegetables had more nutritional value, how to prepare compost fertiliser, how to organise intensified kitchen gardening and other topics. The incidence of kitchen gardening was easily observable among clients' households. One group member stated that because of the new intensive kitchen gardening practices, the price of vegetables has dropped in the area.

Kitchen gardening has helped members in two ways. Firstly, their dietary habits have improved, as now they have other varieties of vegetables. Secondly, sometimes they also earn extra income by selling the produce. A few members of three groups have, as well as undertaking kitchen gardening, developed their own plant nurseries. The idea and the know-how was provided by CDA. Some members said that they have planted large trees wherever possible using saplings provided by CDA. They were told that this activity helps to keep the environment clean and that it will also help them reduce flooding.

Some group members stated that they have expressed additional needs to CDA which have not yet been acted upon. Members of one group, for example, faced an acute shortage of safe drinking water and hygienic latrines. They have asked CDA for assistance, but so far without results.

Members of CDA have understood the value of education as a result of their group discussions with the CDA workers. Now they make a more concerted effort to send their children to school. They also stated that they have personally gained from adult literacy courses. All of them can sign their names now. But the three months time frame of this course is considered too short. Just as they start enjoying the course, it finishes. They suggested that the functional education course should be made longer, with follow-up courses offering other educational activity.

The members indicated that another important contribution of CDA to their lives is that it has taught them to fight for their rights. Legal aid training in that respect was highly appreciated by the members. Two groups mentioned that earlier the wage rate in their area was very low. They felt that due to NGO activity in general the wage rate in the area has increased. It was not that they had to mount a movement to increase the rate. Rather after their involvement with CDA their mobility has increased and they have more information at their disposal and these improvements have contributed to the rise in wage rate. However, compared to other regions, the wage rate in the area was still found to be low, at about Tk 20–25 per day for women and Tk 30–35 for men.

One group has identified some khas land, which it would in future like to claim for its use. Until now none of the CDA groups has established access to land or water bodies. Group members were aware of the fact that in Azimpur thana their fellow members have gained control over 105 acres of khas land with the help of CDA. In future they also plan to organise such action.

In 1996 the CDA groups participated in a protest march against the rape and murder of a young girl by members of the police force. This murder became a major national issue and led to a massive protest against the police excesses in general. Initially, the authorities tried to suppress the matter, but CDA along with other NGOs and legal aid groups mounted a major campaign.

Some members of CDA groups received support from its legal aid cell. One female member said that she received such support in her fight against a locally powerful person who tried to appropriate her small plot of land by force. One group reported that it has filed a case against a man who raped a minor girl, again with the help of CDA's legal aid cell.

The study observed that many NGOs provide good training on legal aid, but CDA was one of the few which supports such training with concrete action. In the nationally publicised Yasmeen rape case CDA directly facilitated the filing of a law suit against the concerned authorities.

Whilst legal aid has been an area of some success, CDA has, like other NGOs studied, made little progress in reducing the practice of dowry in the area it serves. None of its groups reported any known cases of marriage without dowry. In fact, one member stated that as they have to give dowry while marrying off their daughters, then they should also receive it when they marry off their sons.

Women in one group, however, claimed that they have played a mediating role between a fellow group member and her husband. In another incident they also intervened on behalf of a member whose husband was physically abusing her. The members mentioned that in the area more and more marriages are being registered with the Union Council. Before women were not given alimony in many divorce cases, as they did not have the necessary papers. Therefore, they feel that marriage registration is an important step in protecting their rights.

- Economic impacts

CDA clients were appreciative of many aspects of the organisation. For example, members of one group stated that they favour in particular the CDA procedure of group fund management. Under the Grameen Bank method savings are held by the organisation and the members do not have any access to that money. So each time they wish to undertake an income-generating activity clients have to take on another loan. In the CDA system, members need to take less loan from the NGO as they have access to their own individual savings and the organisational fund. In the end they pay less interest than Grameen members. In fact most of the group members stated that they have chosen CDA over Grameen Bank due to its lower real interest rate. However, they also added that against this lower interest rate must be set CDA's inability to provide them with a continuous flow of credit, as a result of which some of CDA members left the organisation and joined Grameen.

Relationship with other NGOs and Government

CDA is an active member of the local chapter of ADAB, which has altogether 42 members. Occasionally Dinajpur ADAB organises programmes such as international women's day and world environment day in which member organisations collectively participate. However, the chapter has not so far been effective in addressing the crucial issue of

coordination between NGOs. Some leaders of small NGOs in the area stated that they have been unsuccessful in drawing the attention of the big NGOs in ADAB to address the question of overlapping. They reported that there have been instances where groups they had formed after painstaking efforts have been taken over by big NGOs with the promise of larger amounts of credit. This, they feel, has robbed them of the fruits of their hard work.

As mentioned earlier CDA provides some technical services to other NGOs and in that way is helping capacity building within the sector. CDA management stated that, unlike some of the smaller NGOs mentioned above, it has a good working relationship with other NGOs in the region. Grameen Bank and BRAC are the two major NGOs working in villages near to CDA's operations and ASA operations were to begin soon.

The local government functionaries expressed a positive attitude to the activities of NGOs. The District Commissioner of Dinajpur indicated that NGOs are playing a complementary role to that of Government, particularly with respect to providing credit, functional education and preventive health care facilities. He believes that the additional resources channelled by the NGOs go a long way in helping the Government's efforts to alleviate poverty. He also mentioned that in the then forthcoming national elections he would solicit the support of the NGOs to conduct campaigns to ensure that people actively participated in the elections.

The TNO of Kahaul also commented positively about the role of NGOs. However, he felt that some of them did not maintain adequate contacts with the local administration. He suggested that in order to effectively serve local communities, NGOs should voluntarily keep his office informed about the projects that are envisaged in different sectors, so that replication can be avoided and more people can be reached. He also emphasised the need for NGOs to keep the public representatives (MP, Union Council members) informed about their activities. This would minimise misunderstanding between the NGOs and the community.

9.2.4 Findings of other studies of CDA

No other studies of CDA were used by the IOB evaluation.

9.2.5 Key findings for the evaluation of poverty alleviation through NGOs

- CDA is a local NGO operating in the Dinajpur and Thakurgaon districts. It began in 1986, taking over the programme of a Canadian organisation which had worked there since the liberation war.
- It is medium-sized, with 14,032 members, of whom 54 per cent are female. Its programmes under implementation are expected to bring the total to 40,000.
- CDA aims to uplift the social, economic, environmental and cultural condition of underprivileged people in its project areas.
- It is currently implementing six projects: the Integrated Rural Development Programme (IRDP) Phase III, Village and Farm Forestry project, NGO Gardening and Nutrition Surveillance Project, Non-Formal Primary Education Project (under sub contract from BRAC), a separate NFPE with support from Oxfam, and providing technical assistance to another local NGO.
- IRDP Phase III is partly funded by Novib. It has a four stage programme, covering organisation development of groups, awareness raising, economic development and social action.
- Most groups studied meet and save regularly. Their meetings emphasise social as well as economic topics.
- Groups manage their own savings funds and make loans to members from them. Members value this access to their savings, which reduces their need to borrow with interest from third parties.
- They also receive credit from CDA. The NGO has insufficient funds to make loans to all members of a group at once or on a regular basis. Credit recovery is very high.
- CDA provides considerable training, both on institutional skills and for income-generating activities.
- Health, hygiene and nutrition awareness has been raised among members and kitchen gardening has increased.
- Members have increased awareness about their possibilities for social actions and have, on occasions, acted on the basis of legal education received, sometimes with support from CDA's legal aid cell.
- Members do not feel that they can change such deep-rooted practices as dowry, but more marriages are now formally registered, which gives some advantages to wives.
- There are many NGOs operating in the area. The ADAB Chapter is active, but has been unable to solve the problem perceived by smaller NGOs, that big NGOs with more substantial credit funds take over members that they have recruited, trained and organised.

9.3 Proshika Manobik Unnayan Kendra

9.3.1 Background

Proshika Manobik Unnayan Kendra (Proshika: A Centre for Human Development), referred to as Proshika in this report, is one of the largest NGOs in Bangladesh. It was established in 1976 and from its inception concentrated on organising and mobilising the poor for their empowerment. Since then it has established a distinctive approach to assisting the poor to develop their opportunities and achievements, which retains a strong ideological component. Its objectives are (IOV study questionnaire):

- to achieve structural poverty alleviation;
- environmental protection and regeneration;
- improvement in women's status;
- increasing people's participation in public institutions;
- increasing people's capacity to gain and exercise democratic and human rights.

The ideological basis of Proshika's efforts is that 'poverty reduction and promotion of sustainable development is dependent upon the human and material capacity building of the poor and their socio-economic and cultural empowerment through a process of generating human, social, economic and cultural capital among them' (A Glimpse of Proshika, 1996, P1).

Proshika is working in over 6,200 villages and 19 urban slums in 36 districts of the country. It has 773,400 members, organised into over 44,000 groups. Translated into total population of households reached, this is estimated at some 4 million people.

Proshika's major activities are as follows:

- Organisation building of groups of poor people. Primary groups have an average membership of 17. These primary groups are federated at village, union, and thana levels to form organisational networks intended to form the basis of participatory development and the channels for acquiring human, socio-economic and cultural capital.
- Development education, undertaken through human development training, practical skills-development training and people's theatre. This programme has already reached some 1.2 million people.
- Employment and income-generating activities. These are based on the development of savings and the provision of credit (of which some Tk 1,318,000,000 had been disbursed by late 1995), as well as by technical extension services. More than 500,000 employment or self-employment opportunities are said to have been generated through this programme to date, in the following sectors; agriculture, irrigation, livestock development, apiculture, sericulture, fisheries, social forestry, small and cottage industries.

- Environmental protection and regeneration, including social forestry, ecological agriculture and smallholders' sustainable livelihood programme. This has included the planting of 60 million trees over a five year period and the development of ecologically viable agricultural production options, to prepare the way for a reduction in the intensive use of chemicals in Bangladeshi farming practices.
- Universal education programme. Proshika runs some 12,264 adult literacy centres and over 1,000 non-formal primary schools, which have provided functional education to thousands of children and adults.
- Health education and infrastructure building programme. The physical element of this component has included 12,400 hand pumped tubewells and nearly 90,000 low-cost sanitary latrines, promoting a more hygienic environment and contributing to improved health.
- Integrated multi-sectoral women's development programme. This is based on the view that gender inequality remains a major obstacle to the participation of half the population in the development process. Some 53 per cent of Proshika groups consist of women, which receive the entire programme of services offered by Proshika.
- Urban poor development programme. As the urban population expands, increasing pressure on land and water, as well as on available employment opportunities lead to increasing destitution. Proshika has about 2,000 groups and 590 projects in urban slum areas, intending to create employment and income opportunities, develop improved sanitary conditions and improve access of the urban poor to stable housing.
- Housing programme. Proshika has erected some 30,500 houses for homeless families. It has also given training in the construction of such units, which use reinforced concrete pillars and tin roofs, designed to resist the extremes of the climate. This training has generated employment opportunities for 750 members in constructing further structures.
- Disaster preparedness and management. In addition to the help it gives in response to the many natural calamities afflicting Bangladesh, Proshika has developed pre-emptive programmes, including the construction of cyclone shelters in coastal areas and afforestation of 130 Kms of vulnerable coastline.
- Institute for Development Policy Analysis and Advocacy. This has a Policy Research Department, Integrated Communications Department and Policy Education Department. The Institute aims to develop and implement research which can be used for advocacy purposes in relation to sustainable development based on poverty alleviation and the creation of a just society. Topics covered by its multi-disciplinary team include poverty alleviation, governance and democratisation, gender issues, sustainable development, human resources development and income and employment generation.

9.3.2 Programme

Proshika has grouped the above activities under one umbrella programme, entitled 'Participatory Sustainable Development for Poverty Alleviation, Environmental Protection and Regeneration'. For the purposes of attracting funding for this programme, Proshika produced a substantial document, its Five Year Plan for the period July 1994 to June 1999, which comprises its Phase V Programme. Proshika's donor consortium consists of the Canadian International Development Agency (CIDA), Swedish International Development Agency (SIDA), Evangelische Zentralstelle für Entwicklungshilfe (EZE), Department for International Development (DFID) of the U.K., the European Union, Novib and Ford Foundation.

Proshika requested the sum of US\$ 75.3 million from the consortium to support the Phase V Programme over its five year period. The rest of the total budget of US\$ 184 million is to be met mainly from repayments into the Revolving Loan Fund (RLF) and associated service charges. This proposal was subjected to a thorough and professional Appraisal on behalf of the consortium and a number of revisions were proposed to the original request. One of the most telling recommendations made by the Appraisal team (Appraisal, 1994, P2) concerned Proshika's intention to increase the number of its groups from 30,000 to 88,000 over the five year period and to further increase its loan portfolio by doubling the average loan size. The Appraisal team recommended a reduction in the proposed increase in groups, but an even greater rise in the average loan size, coupled with improved credit management systems. The Revolving Loan Fund disbursements under the Phase V budget constitute 60.5 per cent of the total programme expenditure. If capital, operational and administration costs are excluded, this means that no less than 79 per cent of programme benefits are expended in the credit and loan sector. The intention (promoted by the donors' consortium) to increase the credit portfolio through larger loans is in keeping with measures taken by other major credit operators such as BRAC and ASA. The implication is clearly a move away from the financially most vulnerable households towards that sector of the poor with foreseeable prospects of upward mobility.

Novib currently chairs Proshika's donor consortium and provides about 11 per cent of its international funding, which is somewhat less than 5 per cent of the overall budget of the Phase V programme. Under the consortium structure adopted by Proshika, it is not possible to identify any particular donor with a specific part of the programme.

Donors and Proshika

Proshika regards itself as an innovative organisation, which constantly seeks to develop and test new ideas in order to improve the impacts of its work (Dr. Qazi Faruq Ahmed,

Executive Director, personal interview). This does not exclude replicating or adapting ideas from other NGOs where these have proved effective. Innovations claimed by Proshika include participatory forestry management, now partly incorporated into government approaches, and People's Theatre as a vehicle for development messages. As an example of using approaches developed by other organisations, Proshika adopted the literacy training system developed by the much smaller NGO, Friends in Village Development Bangladesh. Furthermore, Proshika seeks to build upon indigenous knowledge, for example in the field of sustainable agriculture.

The operating environment in Bangladesh is not easy and NGOs must find ways of overcoming the various difficulties. Proshika's donors have always given it considerable freedom to find the best local solution. Novib has provided comprehensive support over the years through its support to Proshika's programmes. Proshika has its own way of operating which does not fit with many donors. It plans five year comprehensive programmes and is not interested in project funding, or even three year funding. Recently a multilateral donor approached it with a proposal to fund on a project basis, which would have covered 50 per cent of its programme financing needs. Proshika rejected the proposal on the grounds that all funding must be for its programme as a whole, rather than for any specified elements. Bilateral funding is accepted if it conforms with Proshika's approach and the organisation first obtained such support as long ago as 1977.

Novib has placed considerable emphasis on sustainable rural development, which was already an area in which Proshika was operating. Novib hosted an international seminar on sustainable land use models from many countries around the world. This is one area where Proshika finds its partnership with Novib particularly useful. Novib can draw on its world-wide experience of cooperating with local organisations to open up new ideas for Proshika to follow up in the Bangladeshi context. Thus, although CFA funding is very small in the context of Proshika's overall needs, such organisations have a distinctive and valuable role to play in the overall development of the organisation.

Proshika is aware of the fact that in some areas it still needs technical assistance. On some occasions, Proshika draws up its own list of TA needs and asks donors to support them, on others members of its consortium raise their own concerns and Proshika responds where it feels that TA may be helpful. Several donors, including Novib, helped Proshika to improve its Management Information System.

9.3.3 Findings of the IOB evaluation case study

Area studied

The grassroots-level operating unit of Proshika is the Area Development Centre. The Debiganj Area Development Centre of Panchagarh district was selected to study the nature of Proshika's development initiatives. Debiganj is a remote thana of northern Bangladesh, in which Proshika has been working since 1985.

Aims and objectives of the programme

A major goal of the Proshika development process is to create self-reliant organisations of the poor. Under the Proshika development model fieldworkers identify potential group members from villagers, and give them access to the Proshika Rural Training Centre, where they receive training to spearhead the process of forming groups in their respective villages. Fieldworkers then assist the trained people in their work and supervise and monitor their activities. After a group is formed, the fieldworker keeps continuous contact with it until it is sufficiently mature to manage its own day to day affairs. At this time, the responsibility of group management is passed over to the group leaders and Proshika fieldworkers are no longer personally involved in day to day group activities, but as advisers and facilitators.

Proshika aims for its groups to form federations. This process takes place at three levels. There are village-, union- and thana-level coordinating committees. The village coordinating committees (VCCs) are formed of representatives from each primary group. Representatives from the VCCs constitute the Union Coordinating Committee (UCC) and representatives from the UCCs constitute the Thana Coordination Committee (TCC). The fieldworkers of Proshika attend the meetings of bodies at all three levels.

There are two categories of fieldworker in Proshika, Development Education Workers (DEWs) and Economic Development Workers (EDWs). The EDWs include workers previously referred to as Technical Workers (TWs) in the Proshika system. Primary groups organised by Proshika are categorised as A, B, C and D, depending on their quality and the range of functions they perform. Category A groups are very active and undertake a full range of functions, whilst at the other end of the range, category D groups are regarded as dysfunctional. DEWs' responsibilities include: facilitating group formation, registering and categorising newly formed primary groups, upgrading groups to a higher classification, conducting human development training courses and monitoring the performance of at least three groups per day. EDWs are responsible for: facilitating employment and income-generating activities among A and B class groups, providing

credit from the Revolving Loan Fund, assisting groups to conduct feasibility studies for proposed employment and income-generating (EIG) projects, providing technical assistance for effective implementation of EIG activities, conducting skills-development training courses and monitoring the performance of at least three groups per day.

With regard to loans, repayment schedules are based on the projected income flow from the activity and monthly repayment instalments vary accordingly. Usually, the service charge is paid through monthly instalments and the principal loan is repaid at a later part of the project implementation cycle, through one or more special instalments from the income derived through utilising the loan. Monthly instalments, which is usually the monthly service charge of the loan and paid from the group savings, are collected by a representative of the groups in the village, who deposits to the Proshika cashier/accountant in the ADC office. Instalments of the principal loan are paid to the ADC office by each concerned group.

The VCC has a role in nominating the village representative on the UCC. It also plays an active role in realising loans from defaulting groups. In their monthly meetings, VCCs assess the repayment performance of each borrowing group and apply social pressure to groups which are in default. An EDW or DEW may directly collect loan refund instalments only in the case of a defaulting group.

Programme activities

Proshika's integrated development model has similar components to the operation of BRAC and many other NGOs, such as savings, credit and training. Training is both skill-centred and on awareness building. It is expected that the overall package will reduce the poverty level of clients and, at the same time, through awareness building programmes and participating in VCCs, UCCs and TCCs, heighten understanding of the value of participating in organisations. Gradually, by effectively utilising their organisational units at all three levels, Proshika members are expected to be able to help their own members to be elected onto local public bodies, or to jointly exercise their power in choosing a candidate and thus become important participants in local politics.

In Debiganj, Proshika has a total of 22 staff. The ADC manager is head of the office and there is an Area Training Coordinator, an accountant and 19 DEWs (Development Education Workers) and Economic Development Workers (EDWs). To avoid unnecessary complexity, both DEWs and EDWs are described here as Fieldworkers (FWs). Each fieldworker should look after about 45 to 50 groups, and in this area it was found that average in this area is about 50.

Between 1985 and July 1996 Proshika has formed 945 groups in this area, with a total membership of 16,449, of whom 8244 are males and 8205 females. Between 1985 and June 1996 Proshika disbursed loans totalling Tk 43,853,673 among its clients in Debiganj.

Beneficiary groups

In order to understand how far Proshika has been successful in achieving its objectives in the Debiganj area, 6 primary groups, 1 VCC and 1 UCC were studied. Of the six primary groups, four were formed in 1988, one in 1990 and one 1994. Group membership ranged from 12 to 20. Some of the groups were formed at the initiative of FWs and others by group members themselves. Members of one group said that they formed it when a fieldworker convinced them that by doing so, they would be able to save money and take a loan from Proshika, which would increase their respect in their families. Another group was formed by its present cashier. She previously belonged to another group, within which a dispute arose concerning her. She left the group and asked the VCC Chairman to permit her to form a new group. In 1994 this group was formed.

It was found that only one out of the six groups meets regularly. As examples of the others, another group is supposed to meet weekly, but last year met only twelve times. Similarly, another group met only twenty-four times. Some of these groups have now decided to meet monthly. Only two groups maintain the intended Resolution Books. As mentioned earlier, Proshika FWs do not attend group meetings. When asked what the group does in these weekly meetings, the members mainly mentioned that they deposit savings and make loan repayments to the cashier. In the meetings attended, 60 to 70 per cent of the members were found to be present.

At the group level, savings and credit records are kept. In addition, individual members maintain their own savings and credit passbooks. It was found from savings records that only two groups saved regularly, while the others save less regularly than intended.

Proshika groups manage their own savings. Theoretically, this is good for the group, since the members have access to their savings and can therefore borrow money at a low interest rate. But this does not seem to work well in practice. Firstly, in most of the cases group savings are not regular. Secondly, it is alleged that members in charge of savings sometime misappropriate or personally use them. Thirdly, it was reported that once the savings reach a sizeable amount the group members tend to place pressure on the leader to return the money to them. This tendency may be motivated by the fear that savings may be misappropriated once they reach a worthwhile amount. For instance, just one week before the study team visited one group, its cashier was said to have removed the total group savings and members reported that she had used it to repay her own Agricultural

Bank loan. Another of the groups studied had remained inactive for two years after a dispute arose between members and the cashier regarding the amount of the savings. The cashier of a third group did not pay deposits into the bank, but kept them in her own home. Members of another group saved Tk 6600, after which pressure from its members forced the cashier to withdraw the money from the bank and give it back to them. Currently, the group has no savings.

Proshika management has indicated that motivating and encouraging groups to meet and save regularly are integral parts of the activities of all Proshika ADCs and are incorporated in their annual plans. However, Proshika does not try to exert control over group savings, except that groups must contribute from this source between 10 per cent and 30 per cent of the cost of any project which is assisted from the Proshika Revolving Loan Fund, and monthly service charge payments should be made from group savings funds. The FWs should not therefore become involved in micro management of savings, but should encourage groups to deposit their savings in nearby banks and to invest in EIG activities. They also encourage VCCs to monitor group savings and their utilisation.

Proshika regard the system of NGO staff managing credit as disempowering for the members, as well as expensive. However, it is also aware that members of some groups feel uneasy about their leaders handling large sums of group savings. Proshika is currently looking at how savings can be rendered safe, flexible for member access and yet still largely under direct control of the groups rather than the NGO.

Benefits received by members

- Credit

All of the groups studied have received credit from Proshika. In all cases except one, the amount received per member was between Tk 1,000 to Tk 7,000. The frequency of loans has not been high. For example, one group has received loans three times and another two times, both over an eight year period. A third group, which was formed in 1988, has received loans only three times. These loans were mostly for repayment over a six month period.

Generally loan funds have been distributed equally among the members, although one case was noted in which the group leader and the cashier took Tk 10,000 and 7,000 respectively, while other members received only Tk 3000 each. In Proshika, the loan repayment schedule is determined according to the income flow anticipated from the individual project. This system allows group members to refund the major portion of the principal loan amount from the income derived from the project, and not from the

other income or resources of the household. This system is seen as more accessible to the hard-core poor than the approach of many other NGOs.

Three of the six groups studied in the fieldwork are repaying regularly, but in the other three groups there were found to be many defaulters. One group took its last loan on 18.1.95 but by May 1996 the group had still not repaid this, although its intended duration was only six months. Another group expelled more than half its members for defaulting. Most of the members of another group studied are loan defaulters and this is preventing the group from functioning properly. Members of a female group stated that when one of their members was pressed to pay back her loan, her husband threatened the group with dire consequences. When other members saw that the woman was thereby able to avoid repaying her loan, they also stopped their instalments. A group meeting which the study team had selected to attend did not take place because no members arrived. It was later found that the group is so seriously in default that Proshika has taken legal action against it. Another group in the area has also received legal notice from Proshika.

Members of all groups, except one which received an exceptionally large loan, have invested in various types of small business. Some members have bought a rickshaw or cart, a few have opened grocery stores, while others are involved in silk yarn production and use the credit to buy raw material.

One men's group studied proved to be an exceptional case. This group is operating like a full fledged commercial enterprise. Proshika provided it with Tk 500,000 credit at one time. With this loan, the group leased a local market place. This has proved a highly profitable venture and does not require any other major input, except for collecting the toll money. This group does not function like any of the other Proshika groups studied. Its members expressed little interest in broader social issues. A few of its members have received training on organisational management, but they stated that they did not require such training and that it had not helped them professionally. This group only meets to share its profits, usually once a month. The Proshika fieldworker concerned supervises the financial performance of this group, which is regular in repaying its monthly instalments of Tk 49,200.

Proshika management has indicated that this project was supported not only as an income-generating activity for the group, but also as an endeavour to facilitate access for poor people to the public resource presented by a market place. The market used to be leased out to a group of rich people, who collected exorbitant tolls which prevented poor people from selling their goods within it. Now that a Proshika group is managing the enterprise, poor people are able to sell in the market for a relatively low fee and therefore are also beneficiaries of the loan.

It is notable that the economic status of the group which received the large loan was substantially different from the other five groups studied. Some of these members own 10 to 15 acres of arable land. Their educational level is also higher than that of most members. All of them have attended school to some level, including up to Higher Schools Certificate. Recently the leader of this group was also elected onto the union council with the active support of Proshika members.

- Training

Training is an integral component of the Proshika development model. Training provided to groups studied is coordinated from Debiganj Area Development Centre and held in its office. It was found that one or two members of each group have taken part in a four-day organisation development training course. This is geared towards making the members realise the value of their own organisation and how it can be strengthened. Also, two members from each group have received women's development training. This is a six-day course. One group member has received training on silk production. Two members from each of two groups have received health and nutrition training, one member from each of four groups has attended a course in social forestry and three members from each of two groups have been trained in kitchen gardening.

Surprisingly most of these groups studied did not indicate that training had been an important gain from Proshika. In particular, they claim to have gained little from the organisation development and women's development courses. Members stated that they would prefer more skill-centred courses. Proshika management has pointed out that once groups and federations are functioning, members are inclined to under-value the training which has enabled them to reach this stage.

Impacts of the programme and members' assessment

- Social impacts

In general Proshika clients interviewed showed little interest in discussing any social gains generated through membership of Proshika. However, it was found that some clients have learnt to sign their names and obtained basic numeracy skill through attending the Proshika adult literacy programme. Proshika runs some primary education schools in the area and children of some of the members of two women's groups attend such a facility. All members were aware of the value of immunisation and they stated that they have taken the necessary steps for their own children. None of the groups had problems with access to safe drinking water. Iodine deficiency is a major health problem in northern Bangladesh and members of two groups stated that Proshika organised a discussion meeting on the ill effects of iodine deficiency and asked them to use only iodised salt.

Proshika uses popular theatre to disseminate messages on various social issues among its clients. Group members themselves perform in plays dealing with such themes as the establishment of women's rights against polygamy, arbitrary divorce, the propagation of preventive health care, strengthening of legal rights and the need for members to participate in elections to public bodies. Some members of the groups studied have seen such plays. They said that even before the experience, they were aware of the ill effects of dowry and polygamy. But they were not aware of the advantages of registering marriages. The groups did not find the issues of inheritance rights and alimony to be of particular relevance for them.

The practice of dowry is widely prevalent in the area. Some members of one group stated that that they had to sell assets in order to marry off their daughters or sisters, so when the time comes for their sons to marry, they will definitely expect dowry from the bride's side. One women's group stated that stopping dowry is beyond their means. Recently from their group fund they helped a member to marry off her daughter. Another member from the group recalled that when her husband remarried, neither her family nor her group could do anything about it. Moreover, her own family refused to give her shelter and asked her to accept her husband's second wife. But since she has access to Proshika credit and has been trained in sapling raising she abandoned her husband and now makes her own living from selling saplings.

Proshika lays great stress on its clients' participation in local electoral bodies. One Proshika member, the president of the exceptionally well-supported group discussed earlier, with the help of fellow group members got elected to the local public body, the Union Council. The fieldwork for the study was conducted just prior to the seventh parliamentary elections. It was found that Proshika workers encouraged their clients to exercise their civic duty by participating in the elections.

Establishing access for the rural poor to state resources is also an important goal of Proshika. Except for the exceptional group's leasing of a market, most groups did not report achieving much in this respect. However, members of some other male groups stated that after joining Proshika they collectively went to the local Union Council Chairman and requested him to start the Food for Work project on time and to ensure proper distribution of wheat, something which they had never felt able to do before.

The UCCs and VCCs were formed in 1983 and 1994 respectively. A VCC represents ten village-level groups, and two members from each group constitute its management body. A UCC represents five VCCs, which in turn represent fifty primary groups.

A major function of the VCC is to oversee the management of primary groups. It processes their credit applications and makes its recommendations to the UCC. It is also

through VCC monthly meetings that the loan repayment instalments of primary groups are monitored. In addition, the VCC provides arbitration on any problems which cannot be resolved by the primary groups. It was found that VCC is performing its activities fairly smoothly. It meets every month and last year an average of 70 per cent of the representatives were present. Those representing defaulter groups were usually absent. The Proshika fieldworkers always attended the meetings. The loan recovery rate under the VCC is 70 per cent. The VCC occasionally sends its representatives to defaulter groups to try to persuade them to repay. So far, it has never needed to perform the role of arbitration among its members.

One of the UCC's functions is to scrutinise credit proposals sent by the VCCs and to pass them on to the Proshika office. It also undertakes various social programmes and is involved in the recovery of loans from defaulting groups. It was found that the UCC also meets regularly and had an average of 50 per cent attendance over the last year.

A UCC member stated that, along with routine credit processing work, it has taken up various social programmes. These include the staging of popular plays for dissemination of social messages. Last year it organised ten such dramas in its area. The UCC has also arranged a marriage without dowry between two group members. In one instance, the UCC took a person to court for destroying some trees planted under Proshika's social forestry programme. When a female VCC member was boycotted by her *samaj* (society) for what they considered the inappropriate behaviour of participating in a popular drama organised by Proshika the UCC took the initiative to set up a formal meeting with the concerned village elite and resolved the matter.

The UCC also extended its active support to some destitute members when they tried to claim some government khas land. They were not successful in this bid, but felt that the experience has given them a lot of confidence for any future attempt. The VCC and UCC members have participated in various organisational development programmes and were found to be very conscious about their rights in society.

- *Economic benefits*

As presented earlier, one group has received a very substantial amount of credit. Its members' economic condition did improve significantly following their involvement with Proshika. Another group, which has received credit four times thought access to Proshika credit has raised its income. But the four other groups, which have been associated with Proshika for several years, did not feel that they had yet achieved any substantial improvement in standard of living. However, against this can be set a widely felt reduction in dependence on local money lenders (see below).

From the interviews undertaken, it was found that although the quality of the homestead of some of the clients has improved, for most it has remained the same. With regard to homestead and arable land, few members have experienced any change as a result of their membership. Dependence on money lenders is another important criterion sometimes used in understanding the socio-economic impact of an NGO's work on its clients. 17 out of 20 Proshika clients individually interviewed stated that they do not have any debt other than to Proshika. 2 members reported that they borrowed from the government agricultural bank and only one has borrowed from a money lender. In the group meetings attended, members also pointed out that the number of credit sources in the area has considerably increased. Several NGOs and a government bank now provide loans, and so people are now much less dependent on money lenders.

- Members' assessment

Proshika members expressed concern over several issues. Firstly, the security of their group funds is a major issue for them. They feel strongly that Proshika should devise procedures which can protect these funds from embezzlement. Secondly, members of those groups which have not received credit regularly expressed their dissatisfaction that one group was able to obtain a very substantial loan at what they perceive to be their expense. Thirdly, with regard to training, they stated that they would prefer skill-centred training rather than organisational development courses. Finally, female clients expressed the need for Proshika to assist them to find additional income-generating opportunities.

Relationships with other NGOs and Government

In Debiganj, Grameen, RDRS and several other local NGOs are operating as well as Proshika. Although there is no formal coordination among the NGOs, their project coordinators informally interact with one another. According to both Proshika and RDRS staff, overlapping of NGO services and membership has not been a major problem to date. However, recently other major NGOs such as ASA and BRAC have been surveying the area with the intention of beginning operations there. The existing NGOs feel that this is likely to lead to unnecessary problems of overlapping.

The Thana Nirbahi Officer of Debiganj stated that he appreciates the work which NGOs are doing in his area. His office invites NGO representatives to its monthly thana development meetings and asks for their support in various activities. Recently, he asked them to motivate their clients to vote in the national elections. He also sees considerable potential for cooperation between Government and NGOs at times of natural calamities such as drought and tornadoes. However, such cooperation has not yet spread to developmental activities. He finds that NGOs are reluctant to discuss their work with his office or produce

their client lists. This means that meaningful coordination of such services as education and credit, where both Government and NGOs are active, has not yet been achieved. He also feels that if NGOs were more cooperative, more of their group members could access such government services as livestock and poultry support, agricultural input delivery and irrigation.

9.3.4 Results of Proshika Impact Assessment Survey Report

In 1995 an Impact Assessment Survey Report was released by Proshika's Impact Monitoring and Evaluation Cell. This study was conducted with financial support from CIDA and the British ODA (now DFID) and with external technical assistance. Key indicators of Proshika's achievements (as compared with non-Proshika 'control groups') as presented in the Impact Assessment include the following:

- Proshika households have higher literacy rates than non-Proshika households.
- Proshika households are more informed on health matters and can afford better health care.
- Immunisation levels are the same as in non-Proshika households.
- More access to hygienic latrines among Proshika households.
- No difference in water sources.
- Higher contraceptive use, fewer children and lower infant mortality rate than non-Proshika households.
- Higher proportion of dowry-less marriages.
- Divorce rates the same.
- Proshika women more involved in income generation.
- Proshika women more involved in household decision making.
- No difference in incidence of domestic violence against women.
- Lower proportion of Proshika than non-Proshika households have gained access to government khas land.
- Higher proportion of Proshika households have gained access to water bodies and strips of land for tree planting.
- Environmental training has had minimal impact in terms of promotion of use of organic and natural fertiliser and insecticide.
- More Proshika members involved in local institutions and courts.
- Average Proshika household assets 57 per cent higher than non-Proshika households.
- Household income 27 per cent higher than non-Proshika households.
- Savings are 239 per cent higher among Proshika households.
- Investments are 25 per cent higher.
- Whereas only 7 per cent of Proshika households borrow from non-institutional sources, 32 per cent of non-Proshika households do so.

- Overall ‘package’ of benefits contributes towards a susceptible empowerment of members.

9.3.5 Key findings for the evaluation of poverty alleviation through NGOs

- Proshika: a Centre for Human Development was established in 1976. Since its inception, it has concentrated on organising and mobilising the poor for their empowerment. It has retained a distinctive approach, with a strong ideological component.
- Proshika is a big NGO, with some 773,400 members, of whom half are female.
- Proshika has one umbrella programme, ‘Participatory Sustainable Development for Poverty Alleviation, Environmental Protection and Regeneration’, which includes activities in the fields of: organisation building of people’s groups, development education, employment and income-generating activities, environmental protection and regeneration, universal education, Health education and related infrastructure building. Integrated multi-sectoral women’s development, urban poor development, housing for the homeless, disaster preparedness and management, and an Institute for Development Policy Analysis and Advocacy.
- The programme is now in its fifth phase of five years and has a consortium of donors, which is currently chaired by Novib.
- A major aim of the Proshika development process is to create self-reliant organisations of the poor, which can manage themselves after Proshika workers withdraw from a direct role and become advisers and facilitators.
- Groups are federated at village, union and thana level, each of which has a coordinating committee.
- Proshika offers many types of training, including awareness building, institutional and skills for income generation or improved household nutrition.
- Of the primary groups studied, only one out of six meets regularly and meetings which are held concentrate mainly on savings and credit, rather than on broader social issues.
- These groups also do not save regularly. This relates to the fact that the groups manage their own savings, and members expressed a lack of confidence in this system, with reported cases of financial mismanagement. Proshika is aware of this problem, but regards the more widespread system of financial management by NGO field staff as disempowering.
- All groups have received credit in reasonably high amounts, but infrequently. The repayment schedule is geared to the projected income flow from the activity undertaken with the loan. Proshika sees this system as more accessible to the hard core poor than weekly or monthly repayments. Despite this favourable system, half the groups studied were in loan default, although the overall recovery rate of Proshika loans is over 90 per cent.

- Generally, members reported some improvement in their economic position from their association with Proshika and dependence on money lenders has substantially reduced.
- Both institutional and skills training are provided.
- Group members show increased awareness of practices likely to promote health and there have been gains from attending the adult literacy programme.
- Proshika has been innovative in its use of popular theatre to disseminate messages on social issues and promote empowerment. Awareness has been raised, but most members show little expectation of changing such deep-rooted practices as payment of dowry.
- Women in Proshika groups have become more involved in income-generating activities and in household decision making.
- Proshika has emphasised to its members the importance of voting in elections and some members have also stood for local elected offices.
- Village coordination committees play an important role in managing primary groups, particularly in processing credit applications and making recommendations on them to the union coordinating committee (UCC).
- UCCs take initiatives on social issues, as well as processing credit applications.
- Although several other NGOs work in the area studied, there has not yet been a major problem with overlapping membership.
- Relations between NGOs and government in the area are good, but the Thana Nirbahi Officer feels that NGOs are reluctant to share information on their work with government and that this reduces the opportunities for their members to benefit from government services.

10 Case studies of NGO partners of the Royal Netherlands Embassy

Introduction

As a major component of the evaluation of the Netherlands assistance for poverty alleviation/NGO sector, a fieldwork assessment, based on case studies, was made of the activities of 15 NGOs participating in it, as partners of CFAs or of the RNE. Case studies of partners of RNE are presented in this Chapter. The organisations studied are the Shakti Foundation, Sheba and Ubinig.

10.1 Shakti Foundation

10.1.1 *Background*

Shakti Foundation (SF) is a Dhaka-based NGO, which began operating in 1992. Despite this recent start, it has already emerged as one of the pioneer NGOs which has been able to help organise urban slum and squatter women for their socio-economic development. Most mainstream NGOs in Bangladesh have concentrated their development efforts on helping to tackle the problems of rural poverty. Over the years due to the migration of many assetless and landless rural poor to urban areas in search of work, urban poverty has also become a major development issue. Migrants often end up in slum areas with poor housing facilities, insufficient water supply, unhygienic sanitation and many other disadvantages. It has been estimated that in 1995 at least 40 per cent of the capital's population were slum dwellers. Their work opportunities are also poor, especially for women.

10.1.2 *Programmes*

Many in political and development circles in Bangladesh regard the slum dwellers as an unstable population. It is perhaps for this reason that mainstream NGOs have been

reluctant to implement urban credit-related programmes. Most of the urban programmes, whether Government- or NGO-sponsored, have concentrated on family planning activities. The Executive Director of Shakti is a woman with a Ph.D., who has been involved in various research projects and activities concerning the situation of slum dwellers. While conducting advocacy work on behalf of slum dwellers, she realised that a good number of women living in such areas are self-employed. She observed that their income level can increase significantly if they have access to credit and specific skill-centred trainings. Accordingly, along with a few of her activist co-workers, she took the initiative of forming the Shakti Foundation. During its initial operating period, Shakti received funding from the Ford Foundation and Unicef Bangladesh. This period was seen as a trial for a project along the lines of a Grameen Bank model. The Netherlands Embassy in Dhaka agreed to provide funding to extend the project model for an intended additional five years, under the name of the Urban Credit Programme. In November 1995, a joint Dutch-Bangladeshi Support Mission provided SF with detailed models for project and financial management.

Currently, the Shakti Foundation works exclusively in and around Dhaka. Its project area covers the slum settlements of Nayatola, Kamrangir Char, Mirpur, Nilkhet, Nawabganj, Maghbazar and Shahidnagar. Shakti has planned to form 880 groups with 22,000 members by the end of 1997. By the end of May 1996 it had already organised 11,755 women into 587 groups, thereby exceeding its targeted progress. In view of the success of its programme, Shakti is now planning to begin a similar undertaking in Chittagong.

Management structure

Shakti Foundation is governed by an Executive Committee which is composed of the President, Vice President, three Members and a Member-Secretary. The Executive Director (ED) of the Foundation is the Member Secretary of the Executive Committee. The ED, Coordinator of Training, Research, Investment, Education and Monitoring Unit (TRIEMU), Deputy Director (Programme) and Finance Manager form the senior management team of the Foundation. This team is responsible for policy formulation and implementation of the urban credit programme. The ED's responsibilities include fund raising, advocacy, and liaison with Government, donors and national and international NGOs.

Currently, there are six branch offices, with a total staff of 72. Senior management meet weekly, and there is a joint meeting between this team and branch managers monthly. There are guidelines for programme support activities and a unit wise division of responsibilities, but as yet no individual job descriptions for staff. In October 1995, RNE supported a Technical Assistance mission to look into institutional strengthening needs of the organisation.

10.1.3 Findings of the IOB evaluation case study

Area studied

Two branch offices of Shakti Foundation were selected for field investigation. These were Nawabganj Branch 2 and Mirpur Branch 1. Both of these branches started their operation in the middle of 1992. Within the areas of these branches, eight centres were studied, located in or near the Azimpur and Nayatola areas.

Aims and objectives

The main objective of Shakti Foundation is the economic and social empowerment of poor urban women. The Foundation aims to achieve this goal by organising the women into groups, providing them with social awareness training, encouraging the savings habit, assisting them with skill-centred training and ultimately providing them with credit for self-employment. The target population of Shakti therefore is exclusively slum-dwelling women.

Programme activities

Shakti runs the same programme, with the same procedures, in all its branch offices. Its field operation is organised along the Grameen Bank model. At the bottom tier are beneficiary groups, each of which has five members. These are usually formed through personal contact with project staff. Six such groups combine to form a centre. These centres are the basic units through which Shakti organises its grass-roots level activities.

Each branch office has ten staff, namely a branch manager, an assistant manager (accounts) and 8 field organisers, known as project officers (PO). In both the branches studied, half of the staff are women. POs of Mirpur branch, on an average, look after 11 centres and those of Nawabganj branch 12 centres. The POs are supervised by the branch manager. Through daily and weekly reporting and unscheduled field visits the branch manager controls the quality of work of POs. The head office staff also monitors the performance of POs through unscheduled visits. The assistant manager is in charge of accounts. The branch offices operate in a decentralised way and their project managers takes decisions independently, including the issuing of loan cheques. Although the final approval for each loan is given by the loan approval committee of the head office, this procedure is mainly meant to be a double check. It is very rare that the committee rejects the branch offices' request. Both the branch offices studied were found to be efficiently managed.

Seven of the eight groups studied were formed in 1993. Most of the centres consist of six groups, but some have only four. Most of the groups have had a few drop outs (the annual

rate is about 10 per cent) and their places have been taken by new members. Unlike under the system of some organisations such as ASA, new members do not have to start their membership by contributing to the centre's savings the same amount which has thus far been saved by other individuals.

Shakti members meet weekly. Similarly, the group members are very regular in their savings. Shakti provided leadership training to one member from each of the seven groups. Members said that at the initial stages of group formation the POs discussed in detail the need for group cohesion and discipline, the importance of regularity in savings and attending meetings. The POs also emphasised the need for productive utilisation of the loans to be obtained from Shakti, in order to ensure that they would be able to repay the credit.

Benefits received

Once a centre is formed the PO should organise weekly meetings and discussion sessions on pertinent social and economic issues. Ensuring regular savings is another important function of the groups. Group members should save Tk 5 per week as individual savings and another Tk 5 per week as centre savings. Shakti does not use its members' savings in a revolving credit fund, but puts them in an interest bearing account in a bank. Shakti holds the individual savings until the member withdraws from the organisation. 75 per cent of the centre fund is returned to individual members at the end of the year, while 25 per cent is kept as the centre's emergency fund, from which members are allowed to borrow in times of need.

Within a month of membership a client qualifies to receive credit. There is no requirement of a minimum saving level to become eligible for credit. Shakti has two types of credit, general and special. General credits are provided from the Revolving Loan Fund (RLF). For special loans Shakti has an arrangement with the BASIC Bank which funds micro-enterprises. The general loan is provided to any member, but to qualify for a special loan a member must meet certain criteria. These are 100 per cent attendance in centre meetings, previous productive utilisation of a general loan, active engagement in Shakti programmes and that the concerned member should personally retain total control over the loan. Along with credit Shakti provides some skill-centred training to help them increase their income.

Training

Although Shakti emphasises the need for training, not very many members were found in the eight centres studied who have participated in these activities. Of the training courses

provided by Shakti, tailoring appears to be the most common. Altogether twenty members from the eight groups had received this training. An interesting feature of the Shakti training programme is that it has included non-traditional activities, such as preparing facial creams (attended by two members from each of two groups) and artificial flower making (attended by three members from the 8 groups studied). One member stated that she had attended training on animal husbandry. Shakti members appreciated the training on tailoring the most. They reported that those who received this training have been able to put it into practice immediately. None of the members of Centre 2 have yet received any training. It can be said that so far very few members of these groups have received training, while some have attended more than one course.

Impacts of the programme and members' assessment

- Social impacts

In the urban areas social problems are substantially different from those in rural areas. Urban NGO clients are aware of such issues as the need for immunisation, use of oral rehydration salts, family planning, sanitation and the need for safe drinking water. Shakti clients were found to be well-informed about these issues. But the living condition of people in the slums does not allow them to put this awareness into practice. In Nayatola members of several groups did not have access to nearly enough toilet facilities. Around 15 families were living in each cluster of homes, with only one or two toilets. In all the sites clients mainly rented their homes. They have shared access to tap water, which must be carried home. Dwelling sizes are also very small, with an average floor space for a family of six people of only 80 square feet.

These groups see Shakti foundation as an avenue for credit, but have not thought of solving any of their other problems through their group membership. They do not feel that discussions on dowry and desertion can help them solve such problems. Rather, if they get credit and training, they can become self-reliant economically and even if they are deserted by their husbands they can manage on their own.

- Economic impacts

With regard to the two branches studied, up to June 1996 Nawabganj branch had 2655 members and the Mirpur Branch 2590. In total there were 187 centres under these two branches. The total savings of Mirpur Branch amounted to Tk 2,415,900. To date, the branch has provided Tk 16,765,100 as credit for its clients. The total savings of Nawabganj branch stood at Tk 294,690. Over the years its clients have received Tk 1,891,700 as credit. The recovery rate for both branches was 100 per cent.

From the point of view of most members, credit is the most important component of Shakti's programme. In all the groups studied, credit distribution started within months of group formation. In these groups Shakti has provided two types of credit, general and special. General loans have been received by every member. Two groups have already received such loans three times, while the others have benefited four times. The first loan that was disbursed to individual clients was of Tk 3500, for repayment within one year. Each successive loan has increased by Tk 500, so that the amount received for the fourth loan was Tk 5000 (although a few members received Tk 6000). All eight groups paid off their loans regularly and the recovery rate to date has been 100 per cent. So far, from all these groups, only three members have received special loans. These are provided by Shakti from two sources, TRIEMU and the BASIC bank.

TRIEMU is Shakti's own training, research, evaluation and monitoring unit, which has received SIDA funding for three years. This unit has a special fund for those clients who are enterprising and sincere. The three members received Tk 6000 each from the TRIEMU fund. None of the members of the eight groups studied have received a BASIC bank loan. Such loans will be disbursed from the branch offices and repayments will be collected by POs in the field.

With regard to the use of the loans, Shakti clients are mostly already engaged in some form of production oriented activities, including; tailoring, making facial creams and lipstick, bangle colouring, and the making of shoe boxes, sweet boxes, leather bags, turbans, cheap toys and artificial flowers. Shakti credit has helped them to expand these activities. Moreover, members stated that they were constantly in need of business capital, and Shakti credit served that purpose. As well as those engaged in small-scale manufacture, there were other members engaged in vending saris, women's and children's garments and cheap jewellery to other slum dwellers.

Members of all groups appreciated Shakti credit very much. Some pointed out that there are many NGOs operating in the urban areas, but that Shakti is the only one known to pay back part of their savings every year. So each year they have additional capital at their disposal which they can invest in future activities. Members also said that if they had not formed a centre, they would not have been able to intensify their business activities. After joining the group some women stated that their status has increased significantly in their own families. Now their husbands consult them when taking decisions. Many members suggested that they would like to receive more training from Shakti.

- Staff assessment

The branch manager and the POs were all satisfied with their performance. All staff members were aware of their responsibilities and had definite targets to achieve. The rate

of attainment of these targets to date was 100 per cent. Some staff stated that if they were only involved in credit disbursement and repayment, then they would not be so successful. From their viewpoint, the key to success is the intensive monitoring of the use of credit money. The branch office meticulously scrutinises every loan application. An important element of the process is to ensure that the person applying for a loan has the necessary expertise in the chosen field. The branch staff often make surprise visits to see whether loan recipients have actually used the loan for the purpose for which it was allocated. In addition, to avoid misuse of loan money, Shakti policy requires that the money be spent within three days of loan disbursement. The workers feel that due to their strict supervision of the members who receive credit, they will continue to be able to achieve their goals.

The study team was able to confirm that the Shakti centres are well managed and disciplined. Individual savings and credit records, as well as group records are maintained in a well-ordered manner and there appears to be no confusion among members about their savings and credit instalments.

Relationship with other NGOs

In the areas where Shakti operates, few other NGOs are present. In Azimpur area Proshika is also operating. In Nayatola, BRAC and World Vision are active. It could not be found if their programme overlapped since other NGOs work was not studied in the area. Shakti members claimed not to be members of any of these other organisations. In Nayatola, Shakti has been working for the last four years. Recently BRAC took over possession of the Shakti office premises, allegedly by providing a large rent advance to the landlord. BRAC now uses the premises for its NFPE programme. Such actions have created tension between fieldworkers of two programmes.

10.1.4 Findings of other studies of Shakti

No external studies of Shakti were used by the IOB evaluation.

10.1.5 Key findings for the evaluation of poverty alleviation through NGOs

- Shakti Foundation is a Dhaka based NGO which began operating in 1992. It is one of the organisations which has pioneered projects for the socio-economic development of urban slum and squatter women.
- Shakti offers a credit programme run on a Grameen bank model. After its initial period of operation, RNE Dhaka offered funding to extend the programme for another five



Slum dwellings beside railway tracks in Dhaka (Photo by Sean Sprague/Lineair)

years, under the name of the Urban Credit Programme. A pre-project support mission provided detailed models for project and financial management.

- The organisation works in and around Dhaka. It is a medium-sized NGO with 11,755 members, all women.
- The main objective of Shakti Foundation is the economic and social empowerment of poor urban women, through organising them into groups, providing them with social awareness training, encouraging the savings habit, offering skills training and credit for self-employment.
- Groups studied meet and save regularly and Shakti project officers have emphasised the need for productive utilisation of loans and the importance of group cohesion and discipline.
- Within one month of membership, clients qualify for a loan. All members have received a loan and some have already benefited three or four times since 1993. Recovery rate is 100 per cent to date.
- Although Shakti emphasises the need for technical training, few members were found who had actually received any. However, those who had, found it directly useful for income generation, particularly in the field of tailoring.
- Members do not greatly value discussions on problems facing urban women, but emphasise the importance of improved economic status, which promotes their position in the household and/or their independence from men.

- Shakti centres were found to be well-managed and disciplined and members were well-informed concerning their savings and credit status.
- So far, Shakti has experienced little problem with overlapping membership with other NGOs.

10.2 Sheba

10.2.1 Background

Sheba Nari O Shishu Kalyan Kendra (Sheba Women and Children's Centre) is one of three NGOs receiving funds from the Royal Netherlands Embassy which were selected for this study. The organisation was founded by a number of urban professional women. The Chairperson is an architect and the Chief Executive has long experience in the private sector. Sheba's emergence as a development NGO is fairly recent. It began an urban slum development programme in 1994 and registered with the NGO Affairs Bureau in 1995.

10.2.2 Programmes

In 1991 Sheba began as a Child Care Centre to support working mothers of middle-income background with day care facilities. In July 1991 Sheba initiated another project aimed at middle-income women. It organised catering courses and a catering service. At that time the broad aim of Sheba was to create opportunities for middle class women to participate in mainstream economic activities, develop female headed enterprises and to develop support services for working women. Sheba's child care project did not make much headway but the catering service became a successful endeavour. It became a major income-generating source for Sheba. Using this income, by 1994 Sheba was able to undertake another programme, this time with urban slum women as its target beneficiaries.

In contrast to the major focus of Bangladeshi NGOs on rural poverty alleviation, it was only in the late eighties that urban poverty and the impoverished situation of slum dwellers began to attract substantial attention. Forty per cent of Bangladesh's urban population live in slums with very poor housing, water and sanitary facilities. Moreover, slum dwellers have limited access to worthwhile employment opportunities. Women in this respect are even worse off than men. Sheba felt that there is a deep need to bring this section of the community into development activities. It was in this context that in 1994 Sheba began its slum upgrading programme. In February that year this programme received a one-time contribution of Tk 1,160,000 from the Netherlands Embassy in Dhaka. Sheba contributed another Tk 300,000 of its own money to the project.

10.2.3 Findings of the IOB evaluation case study

Area studied

The study team selected eight groups in three areas of Dhaka city, namely Shahbagh, Kathalbagan and Tejkunipara.

Aims and objectives

The stated objective of the project is to effect socio-economic development of under-privileged slum dwelling women. In order to achieve this goal Sheba's strategy is to organise its target women into groups, develop their capabilities through motivation and training, and bring them into income-generating activities with the assistance of savings and credit schemes. At the time of its inception the project envisaged forming seventy groups covering a total of 1400 clients in three years. Until May 1996 Sheba has formed fifty groups with 1040 clients. If this progress continues, it appears that by the end of the third year Sheba will be able to achieve its target for group formation.

Programme activities

There are five Group Organisers (GO) in the urban slum women's project. They work under a Credit Coordinator. Other Head office staff of Sheba provide part-time services to the project. The Credit Coordinator is a former employee of the Grameen Bank and the project itself is modelled after the Grameen Bank. Sheba groups are constituted with twenty members. Each group is divided into four sub-groups, each having a Chairperson and Secretary. There is one Group Leader for the entire group.

After forming a group the GO conducts motivational work. This involves imparting information to the members on such topics as the importance of group formation, organisational discipline, leadership, savings and proper utilisation of credit. From the group's inception each member has to save Tk 5 weekly. This savings money is maintained by Sheba and it is used in the Revolving Loan Fund. Group members receive five per cent interest on their savings. After three months of motivational work, if the GO is satisfied with progress, the group qualifies to apply for credit. Sheba charges 13 per cent interest on the initial balance. Another 3.25 per cent interest is charged as a contribution to an emergency fund. In addition members have to pay a one time service charge of Tk 10 for securing Tk 1000 credit, as well as stamp duty and other costs.

Beneficiary groups and organisation

The eight groups studied came under four different Group Organisers. Three of these groups were formed between March and September 1994 and the rest in 1995. Most of the groups had 18–20 members, while one had nine. From the attendance register it appeared that 70 per cent of the group members attended group meetings regularly. However, none of the groups visited maintained any resolution book in which discussions and decisions are recorded, which is a common practice among other NGO groups. The members however, mentioned that health and sanitation issues, savings, credit and organisational matters were discussed in the meetings. Unlike in rural areas, the women group members were mostly self-employed and were unable to spend much time in meetings. The meetings attended by the study team were generally participatory.

Benefits received by members

- Savings and credit

Members of all groups saved regularly. They reported that they do not face any problem in saving Tk 5 per week. Some members said that they are able to save more. Individual group members have their own savings and loan pass books. The clients were found to be conscious about their savings and repayment record.

Five of the groups studied have received two sets of loans, while the other three had received only one loan. The amount of the first loan varied from Tk 1000 to Tk 2000 per client and that of the second loan between Tk 2000 and Tk 2500. However, a few members received Tk 4000 for their second loan. So far, the loan recovery rate of the groups is 100 per cent. A significant difference between Sheba clients and female clients of other NGOs operating in rural areas is that, in at least half the cases studied, Sheba female clients themselves utilised the loan. There are several reasons for this. Firstly, in the urban context there are a number of avenues available for investment by women. Secondly, they have wide access to slum informal markets in which to sell their products. Sheba clients mainly invested in trading, the major avenues being selling sarees, old clothes, fish, cheap ornaments and cosmetics. Some members were involved in paper craft, others in food processing or sewing. In most cases, they mobilised additional funds from their own savings or by taking other loans.

- Training

Sheba offers two types of training programme, skill-centred and human resource development. The human resource development training includes leadership, organisational

discipline and preventive health care. Skill-centred training includes tailoring, embroidery, paper craft and food processing. Sheba also organises an annual conference of members. An important aim of the conference is to exchange ideas among Sheba members and between members and the Sheba management on the overall organisational goals, achievements and performance.

Impacts of the programme and members' assessment

- Social impacts

Sheba's project is too recent to have yet had a major impact on the lives of its clients. The clients' urban existence and day to day struggle have made them conscious of the events that affect their lives and livelihoods. There is an acute shortage of water supply and sanitation facilities in all the project areas visited. There are other problems as well. Clients expressed concern about rampant drug abuse and gangsterism. Some of the project sites suffered from the additional problem of police raids and extortion.

Big NGOs like Proshika, which have recently got involved in slum development projects have not yet been able to confront these problems effectively. In that respect it would not be realistic to expect a small NGO like Sheba to succeed rapidly with tackling such problems. However, Sheba is already considering how to address one of the major problems that the slum dwellers face. This is eviction, often related to development initiatives. Sheba has drawn up plans for a pilot programme of community housing under which small landowners and potential tenants will be encouraged to contribute towards building permanent structures. Sheba will seek to mobilise external assistance for the project. Since Sheba's chairperson is an architect with experience in urban community housing, they expect to be able to make a useful contribution in this area. If Sheba is successful in this endeavour it may well be an innovative approach in addressing an acute urban slum problem.

Sheba's training programme was found to be weak. The only training that has been provided successfully was on organisational discipline. This training was imparted at the group level. A few skill-centred training courses were organised at the project office in Tejkunipara. Very few members were found who had attended these. Most knew about them, but stated that they could not attend as they were held too far away, at the regional office. However, they were keen to attend such courses if they could be organised at the field level. Training on such issues as health, hygiene, nutrition and legal status has not been provided, since it is considered that urban dwellers are better informed on these issues than the poor in rural areas.

- Economic impacts

Sheba clients mainly invested in trading, the major avenues being vending in saris, old clothes, fish, cheap ornaments, cosmetics, paper-craft and food processing. Many clients reported that their profit margin was good and most importantly, return was quick. For example, one woman stated that she had a personal savings of Tk 2000 and she took a loan of Tk 2500 from Sheba. In fifteen days she earned a net profit of Tk 800 in trading saris. From this profit she repaid the first loan instalment of Tk 100, spent some money on household expenses and reinvested the capital in more saris. Her minor son's earnings from a nearby tea shop supplement the family income.

Relations with other NGOs and Government

Although many NGOs are active in urban areas, they mainly concentrate on the areas of health and family planning. Credit schemes for urban slum dwellers are relatively recent. Shakti is already well-known in this field and has contacts with Sheba. Both follow the Grameen Bank model of credit group organisation. In the Tejkunipara region, Sheba has a problem of overlapping with an NGO called Dustha Shajjo Kendra. This organisation has recently moved into an area in which Sheba has been working for some time, and has given membership to some people who are already Sheba clients. When they heard of this, Sheba workers asked their members to chose which organisation they wished to stay with. Some chose the rival organisation, because it is offering larger loans. Sheba thought it unethical of this organisation to take clients on which it had already invested time, resources and effort. Currently, no system has emerged among NGOs working in urban slum areas which could address such problems.

With regard to its relationship with Government, Sheba indicated that it took a whole year for its registration with the Ministry of Women's Affairs to be approved. On the other hand, its application to the NGO Affairs Bureau was rapidly approved.

With regard to advocacy for slum dwellers, Sheba has not yet participated in any formal activities. It has recently been engaged in discussions with the Local Government Engineering Department concerning the issues of water, sanitation and housing in the slum areas. The Government-funded BASIC Bank has recently sanctioned some funding for Sheba's credit programme and Sheba has also made a funding arrangement on favourable terms with the Government-funded Palli Shahayok Foundation.

10.2.4 Findings of other studies of Sheba

No external studies of Sheba were used by the IOB evaluation.

10.2.5 Key findings for the evaluation of poverty alleviation through NGOs

- Sheba is a Dhaka-based NGO, which began working with middle class urban women in 1991 and commenced a programme in urban slum areas in 1994.
- It is a small NGO with 1040 members, all female.
- In February 1994, Sheba received a one-off grant from the RNE for its programme.
- The programme aims to effect socio-economic development of under-privileged slum dwelling women, through group organisation, developing their capabilities through motivation and training, and bringing them into income-generating activities with the assistance of savings and credit schemes.
- The programme is based on the Grameen Bank model. After formation, groups receive training on organisational discipline, leadership, savings and the proper utilisation of credit.
- Groups which have made satisfactory progress are eligible for credit after three months.
- Groups meet regularly, but attendance is reduced by the need of women to pursue their self-employment activities.
- Groups save regularly and have already received credit once or twice. To date, loan recovery is 100 per cent. In at least half the cases, women have used the loan directly, since they find many opportunities for trading and small-scale production in the slum areas.
- Credit has been provided in sufficiently large amounts to enable income-generating activities and members report rapid profits and reinvestment through use of their loans.
- Sheba offers both human resource development and skills training. Training on organisational matters is provided directly to groups and has been effective. Skills training is held at a project office and few group members have been able to travel to attend course there.
- Relatively few NGOs are working in Sheba's operational areas, but some are beginning to do so, with a resultant rise in issues of overlapping.
- Based on its successful experience to date, Sheba has designed a pilot programme for community housing in slum areas.

10.3 UBINIG

Because the UBINIG project has an unusual history, its presentation differs somewhat from that of other organisations.

10.3.1 Background

Historically Tangail region has been famous for its quality handloom products. The sector was neglected by development planners and policy makers in terms of ensuring basic requirements of yarn supply, working capital and marketing facilities. In the face of such difficulties, the weaving community of Tangail was gradually disintegrating. The situation forced a number of weavers to quit their generation-old profession. The pit loom (manual) weavers were especially affected.

Several local factors contributed to the decay of the weaving industry; irregular supply and poor quality of yarn, lack of access to markets and the dominance of middlemen. In the absence of any meaningful work opportunity the weavers were taking such work as day labouring and rickshaw pulling. Against this backdrop, in the early nineties, UBINIG took an initiative to revive the handloom industry. UBINIG (Policy Research for Development Alternatives) is a non-profit Private Limited Company which undertakes research, consultancy and development projects. In the late 1980s it began acquiring experience and identifying the constraints and opportunities of the weaving sector, particularly in the Tangail area. It began to plan a developmental project which could help to revitalise the weaving industry and in particular find ways of supporting marginal or disadvantaged weavers. It appeared that a limited number of highly skilled weavers could make a good living from practising their trade, while the much larger numbers of less-skilled craftsmen endured a difficult lifestyle with marginal income.

10.3.2 Project

UBINIG believed that regular supply of quality inputs, access to markets and improved designs could help save the industry and rehabilitate the weavers in their own craft. Therefore, with the aim of assisting weavers in these aspects, UBINIG developed the Integrated Pilot Scheme for Small Weavers Development Project in Tangail. This was offered DGIS funding for the years 1991 to 1993 to a maximum of Dfl. 250,538.

The project operates within a number of villages in the Tangail region.

Aims and objectives of the project

The major aim of the project is to reorganise the poor and marginal weavers, to enable them to move from a home-based petty production mode to one centred on small-scale factories with collective ownership. Associated with this development would be a change in technology from manual pit looms to semi-automatic looms. Traditionally, women have been involved in the pre-weaving preparatory stage, which is of low status and value and gives them no say in the production process. Few women are involved in the weaving process itself. Another important aim was therefore to more equally integrate women into the modernised production system.

UBINIG perceived the task as one of reorganising the division of labour through a creative and efficient response to the emerging local and international market. The special aim was also to include women in the process, to derive the positive benefits of the economic and technological transformation of the handloom sector. The target group from the beginning was poor, marginal and less-skilled weavers, with a particular emphasis on challenging the traditional gender division of labour, which was oppressive to women and limited their participation to lowly valued elements of the production process.

In order to increase employment and incomes for the majority of weavers, UBINIG planned to replace much of the home-based individual handloom production with a collective factory system using semi-automatic looms. This new method was expected to make production more efficient. UBINIG's project design involved the organisation of weavers into groups and engaging them in small-scale factory production. The project was also designed to make funds available to the groups to buy land, looms and other equipment and to construct a small factory for each group of weavers. UBINIG felt that in order to produce quality goods for competitive markets, there was also a need for training.

In addition to these activities directly related to weaving, UBINIG planned social support services, including an informal literacy programme, day care centre for children and health care provision. According to an Evaluation conducted in June 1994 and submitted to the RNE, 'The ultimate goal of the project is to develop the capability of the target groups to operate in the market in a sustainable way, free from the dependence on various intermediaries including UBINIG' (p. 1).

Programme activities

Specific elements of the programme agreed for funding included:

- group mobilisation and training on semi-automatic looms;
- replacement of pit looms by semi-automatic looms with credit support;

- yarn, design and accessories supply and support;
- marketing assistance;
- social development programme.

To act as a central point in the upgrading process, UBINIG established a Weavers Service Centre at Bishnupur, at which participants could obtain training, credit facilities, yarn, dyes, modern and marketable designs, new technologies and raw materials as well as social facilities such as schools and health.

Evaluation of the first phase of the project

In June 1994, at the end of the funding support period, an evaluation was undertaken and presented to the RNE in Dhaka. Some of the findings of this study were as follows:

- 50 per cent of the total project resources were spent on personnel and for a total of 8 groups with 139 members and 31 looms there were 20 field staff. Ubinig management indicates with regard to this finding that the number of project personnel was not determined by the number of weavers initially to be included in the project. Rather, staff were included for project mobilisation, training, production support, marketing, social development, accounts and administration. Thus, the staffing was intended to prepare for the second phase of the project, in which more beneficiaries would have been included.
- As at December 1993, only 31 looms (including 10 in the Weavers Service Centre) had been installed.
- An additional 47 weavers had completed or were undergoing training, and might receive looms before the end of the project period (June 1994), bringing the possible numerical attainment to 78 per cent of the target of 100 semi-automatic looms.
- Total membership strength of the project was 139, which was 70 per cent of the target.
- After receiving training, weavers generally had to wait some 6 months before they could start production, during which time skills were not practised and trainees became frustrated. Ubinig management accepts that this was the case and experienced difficulty in keeping groups together during this stage. However, the experience is seen as part of the learning process to be expected during a pilot project.
- Group leaders appeared to enjoy a substantial amount of power over their fellow members and women were not well integrated into the groups.
- Groups had made progress in marketing their products, but were still substantially dependent on Prabartana, an urban retail outlet owned by UBINIG.
- Both employment and income had increased in households which participated in the project.
- Whilst the income of weavers more than doubled, to about Tk 1450 per month, pre-weavers averaged only Tk 381 (although this task previously yielded no cash income).

- Out of the total of 139 members, 62 were males engaged in weaving and 67 were females, of whom 8 were engaged in weaving and 59 in pre-weaving.
- About 34 per cent of the Revolving Loan Fund had been disbursed and repayment, even on short-term loans, was slow.
- Because of poor information systems, it was not possible to calculate the exact repayment or default rate.
- Poor payment reflected inadequate supervision by project staff, since members were earning adequate sums to enable them to repay.
- Although in principle the factories belonged to all the members, in fact 95 per cent of the credit had gone to males, who therefore disregarded the role of women in managing the investment. Ubinig management indicates that the women involved were not yet ready to take on a more central role in the investment process. They were still engaged in discussions at village level and within the weaving community as a whole concerning their role in the overall development process involved in the project.
- A plan was needed to enable a joint committee of UBINIG staff and group members to take over management of the Weavers Support Centre and to move it towards self-financing sustainability.

In the light of the above conclusions, the evaluation study emphasised the qualitative rather than the quantitative achievements to date. The UBINIG assistance had enabled much new ground to be broken, notably with regard to improvements to the inclusion of women in technological programmes, but inadequate institutional arrangements had hindered attainment of quantitative targets. The recommendation was that the project timeframe should be extended to meet the original targets and that this time should also be used to define strategies for expansion and replication under an anticipated second phase of the project. Ubinig management has emphasised that it saw it as vital to ensure the qualitative aspects of the project before attempting to increase the scale in a second phase. To work with poor and marginal weavers and attempt to bring them to a level at which they can act as effective entrepreneurs is a difficult task, particularly whilst attempting to reduce gender disparity in the production process. It therefore did not see the project's failure to meet its quantitative targets on time as a major deficiency, since its emphasis was on ensuring adequate preparation for the anticipated second phase of the project.

Responses to the evaluation

UBINIG responded to the evaluation with its broad agreement and made proposals to meet its targets and further develop the concept for a second phase of the project by March 1995. Accordingly, DGIS agreed to extend its assistance to the pilot until March 1995, with an additional input of up to Tk 822,247. UBINIG duly submitted progress reports

covering the additional period, during which it reached most of its original numerical targets.

Preparations for a second phase

During early 1995, discussions began concerning a possible second phase of the project which might receive Netherlands assistance. Correspondence between DGIS and RNE emphasised the need to more fully investigate the commercial viability of production units in terms of size, markets, number of possible units, opportunities for bulk purchasing of inputs, assurance of sale of outputs and the need for a small research and development centre to consider new materials and products.

In June 1995, UBINIG submitted a proposal for a Second Phase, broadly including the areas raised by the RNE. It outlined the following activities to be undertaken:

- strengthening economic viability of the existing project weavers;
- training weavers in management;
- developing weavers' skills in independent marketing;
- strengthening capacity of Prabartana (UBINIG's marketing operation);
- establishment of research and development centre;
- dissemination of experiences and skills to other organisations;
- networking.

The proposed budget for this phase was about Dfl. 320,000.

Although the proposal referred to the areas indicated as important in discussions with the RNE, relatively little detail was provided as to how any of the main proposals were to be achieved, particularly with regard to the strengthening of the economic viability of the weavers' organisations. Furthermore, the budget for the proposed three year period indicated an input of some 82 per cent from Netherlands sources, 13 per cent from project income and 5 per cent from the Prabartana marketing organisation, with no proposal concerning the sustainability of the overall operation at the end of donor support. Discussions were held and a revised proposal submitted in November 1995, by which time the project situation was becoming extremely difficult, since UBINIG had had to try to sustain operations for five months using its own resources.

This revised proposal was also not regarded as sufficiently explicit by the RNE and by this time, relations became somewhat strained. UBINIG took the view that the requirements of RNE would simply result in additional paperwork and production of an economic plan which may or may not correspond to future reality. Whilst other NGOs were willing to conform with what it perceived to be unnecessary bureaucracy imposed by donors,

UBINIG felt that its record in the field, together with the documentation already supplied was sufficient guarantee of the viability of the project.

In January 1996, the RNE responded to UBINIG, indicating that during any second period of funding assistance, it would be necessary for UBINIG to phase out the need for donor subsidies and bring the weavers' organisations to commercial viability. This would need to be achieved through an increasing contribution from the weavers' themselves during the course of the project. Similarly, there would be a need for marketing outlets, in particular Prabartana, to have sufficient markets to absorb the anticipated substantial growth in productive capacity. In order for this to be demonstrated, specific market research would be required. RNE therefore indicated that still further work was required on the proposal.

UBINIG responded that it had not anticipated any such barriers to further funding and that the organisation felt that the information supplied was already sufficient. UBINIG felt that the commercial requirements proposed by RNE were unrealistic in view of the fact that the project was intended to combine both developmental and commercial objectives. A discussion was then held on 24th January 1996, the upshot of which was that RNE insisted that a commercial approach towards the attainment of sustainability should be adopted, whilst UBINIG retained its view that assistance and commercial approaches should proceed together to reach sustainability. RNE offered the option of having an independent assessment of the most effective approach to blend the two viewpoints, but UBINIG felt that this was inappropriate in view of the quality of work already demonstrated by the organisation during the first phase of the project. Furthermore, UBINIG management has indicated to the IOB study that it did not believe that an assessment imposed by the RNE could be seen as independent, but that it was an attempt to impose conditionality on the project. Since as far as UBINIG the second phase had already been approved in principle, it regarded the assessment as part of a cosmetic exercise intended to legitimise the project according to the needs of the donor. Since UBINIG had already agreed to measures to meet deficiencies identified by the evaluation, the requirement of a further assessment was seen simply as an exercise of power by RNE.

At the end of the discussions concerning a possible further assessment, it was concluded that no further assistance would be extended via the RNE, unless UBINIG reconsidered its refusal of an 'independent' input into the project design process. No progress has been made since that time with regard to RNE funding and it is now considered by both parties that RNE's involvement in the project is finished.

10.3.3 Findings of the IOB evaluation field study

Beneficiary groups, organisation and benefits received

In order to assess the impacts of the project in the field, the IOV evaluation conducted its standard study procedures with the cooperation of UBINIG. In Bishnupur UBINIG has its Weavers Development Centre, from which the project is administered by a coordinator and an assistant coordinator. Eight groups of weavers were studied to understand the beneficiaries' perspective on the project.

- Credit and production equipment

One group, Ashar Alo was formed in 1993 and had eight members at the time of the study (June 1996). The group received a Tk 249,000 loan from UBINIG. It spent the money on buying land, constructing a factory shed and purchasing eight looms. At a later stage it expanded the production capacity by adding another four looms from its own resources. Another group, Shabuj, was also formed in 1993 in Akonda area of Delduar. It started with seven members, but at the time of the study only one member remained associated with the project. This group received Tk 210,000 and set up an eighteen loom factory with the money. Ashar Shapno and Shonali groups were both set up in 1994. Ashar Shapno has six members and has received Tk 210,000 in loans, while Shonali has 15 members and has received loans of Tk 256,000.

- Training

The study team found that only two groups remained functioning, while the rest were not active (UBINIG management has indicated that, from its information, four groups remain functioning). Group members reported that they had joined the project with a lot of optimism. The members attended a 60-day training course at the Bishnupur Training Centre. They were trained in pit loom operation, dyeing and designing. The trainees were also informed about the importance of quality control, design and access to markets. UBINIG also sponsored trips to other quality handloom producing sites of Bangladesh so the members gained a better knowledge about their craft.

- Production support

Members reported that they had learned a great deal from these training sessions and their skills had been raised. However, there was a time gap between finishing the training and commencement of local activities of the project. They had major problems in finding suitable land to set up the factories. The complexity of this stage of the project is

demonstrated by the fact that one of the groups had to abandon its first project site after having constructed the factory, due to a land dispute. Some of the members reported that such delays in implementing the project led to erosion of their initial enthusiasm. Furthermore, once they had set up the factory and reached the production stage, the groups found that they were not left with any money to spend as working capital.

- Working capital and marketing

At this stage UBINIG tried to support the groups by providing some of them with working capital and work orders for its own retail outlet in Dhaka city. Under such a scheme UBINIG provided the weavers with the necessary yarn and other inputs including assistance with designs. The weavers were to be paid for their products, from which the cost of the raw materials and loan instalments were to be deducted. This arrangement also did not work for some of the groups, because they could not maintain the necessary product quality. Furthermore, many of those who had received working capital were not able to service the loan. Initially the loan instalments were due weekly, but once the work started it was found that the production cycle took about four weeks. It was therefore not possible to pay back the loan on a weekly basis. Later, a monthly repayment schedule was arranged, but that also did not work out. None of the eight groups were up to date with their loan repayments. Six of the factories did not produce anything for seven to eight months. Machinery, equipment and even the factory structure all deteriorated due to this long period of non-use.

Comments from UBINIG management

From the viewpoint of UBINIG, the focus of RNE changed during the course of the development of the project. During the early years, the focus on enhancing employment opportunities for the less-skilled weavers, creating new possibilities for women in the weaving industry, and measures designed to move towards commercial viability through the introduction of quality control and increased marketing capacity proved acceptable to the Ministry. The 1994 evaluation highlighted many areas in which the project needed strengthening. Its findings were accepted by UBINIG, which tried to put them into practise during the extension period and additional funding granted by DGIS.

At the same time, discussions began concerning a second phase, which had been alluded to in the Evaluation report. UBINIG interpreted these discussions as covering the best means through which the work could be carried forward and not as part of a negotiation process as to whether any funding at all would be forthcoming. It therefore continued with project development commitments on the assumption of a rapid move into the second phase after mid-1995. However, UBINIG felt that the emphasis of RNE changed to one

which related solely to how the project could become self-sustaining and commercially viable.

This marked a major change of direction as far as UBINIG was concerned. From the organisation's perspective, if a set of self-sustaining commercially viable enterprises was the sole objective, UBINIG would have needed to select different beneficiary groups from the start of the project. It would have had to target the most entrepreneurial weavers and help them to scale up their operations and enter new markets, which could have produced the result desired according to the Embassy's changed priorities. Instead, with the encouragement of previous Embassy staff and the approval of DGIS in the Hague, UBINIG attempted to focus on the weaker weavers and women, and to move them into a new technology with a substantial learning curve, a need for medium-term financial support and completely new and sizeable markets to attempt to enter.

UBINIG therefore felt that the production of economic plans and projections showing the move towards economic sustainability of the project would be at best the type of cosmetic exercise, which it regards as common in the Bangladeshi NGO sector, in order to satisfy donor funding selection procedures. It saw no point in this exercise, nor in the offer of an external study conducted by someone with no intimate knowledge of the fieldwork conditions under which the project was operating. Since the RNE was unable or unwilling to change its requirements, it became impossible to work with them. This has placed the achievements of the project to date in severe jeopardy and threatens the weaver households concerned with the loss of all the benefits attained during the first period of the project.

From the perspective of UBINIG, the Embassy has been unwilling to discuss difficulties encountered within the context of a relationship of partnership, but has resorted to bureaucratic procedures. These have included the sending of letters citing legal clauses which might be invoked against UBINIG if it does not meet final reporting requirements for the first (and only) phase. UBINIG believes that under RNE procedures, because a project falls under a particular officer, the partner organisation has no possibility of gaining a second opinion or of arbitration.

The weaving project has been an experiment both for UBINIG and its clients. In spite of efforts from both sides the project suffered major setbacks. Innumerable factors impeded the implementation of the project, factors for which neither the project organisers nor its clients were prepared. Along with unforeseen operational problems, UBINIG officials argue that the project also suffered from the delay in expected funding and eventually from the cancellation of the second phase support from the RNE, which it had regarded as assured. UBINIG is now trying to mobilise funds from other sources for the project

and believes that, with some policy modifications, the project can be made more effective and viable, once funds are available.

Comments from RNE

From the viewpoint of the RNE, no change in the goals of the project was introduced as a result of the evaluation or the arrival of new RNE personnel. Furthermore, this issue was not raised by UBINIG during the extensive discussions held. With regard to the letters sent by RNE citing potential legal action, this is viewed as an appropriate measure, since the contract signed by the two parties required UBINIG to submit an audit report and final project report at the end of project funding and they had not done so several months after the appropriate period expired.

Relationship with other NGOs and Government

A number of NGOs are active in UBINIG's area of operation, but UBINIG's focus and approach are very different from theirs. Grameen Bank works with the weaving community by providing weavers with credit to make the product known as 'Grameen Check'. There are marked procedural differences between UBINIG and Grameen. The former has emphasised a collective factory approach, while Grameen concentrates on funding the traditional individual-based production methods. Some of the UBINIG clients joined Grameen and other NGOs and have since taken loans from them. With these additional loans, they set up looms in their homes. Since they are individual-based small projects, they are able to pay off the loan regularly.

UBINIG organisers said that they have cordial relations with the Government. UBINIG believes that in order to revive the handloom sector, effective support and coordination is required among all concerned, including the Government. In order to facilitate communication and understanding, UBINIG organises an annual weavers' fair, which is held in Bishnupur. Weavers from all over Bangladesh participate in this fair. UBINIG also invites senior government functionaries concerned with the textile sector, such as the heads of Bangladesh Textile Mills Corporation and Bangladesh Handloom Board, which allows the problems facing the weaving community to be conveyed to those in policy making circles.

10.3.4 Findings of other studies of Ubinig weavers project

Findings of the evaluation study have been cited above.

10.3.5 Key findings for the evaluation of poverty alleviation through NGOs

- UBINIG (Policy Research for Development Alternatives) is not an NGO, but a non-profit Private Limited Company, which undertakes research, consultancy and development projects.
- It does not organise member groups in the same way as the NGOs studied, but it is a small-scale organisation.
- Since the late 1980s, UBINIG has been acquiring experience and identifying the constraints and opportunities of the weaving sector, particularly in the Tangail region. It designed a development project which aims to revitalise the weaving industry and particular to support marginal and disadvantaged weavers. UBINIG believes that the regular supply of quality inputs, access to markets and improved designs can help save the industry and rehabilitate the weavers in their own craft.
- Another aim of its activities is to more equally integrate women into a modernised, semi-automatic production system and to improve upon their traditional status as pre-weaving stage workers for little or no pay.
- UBINIG drew up an Integrated Pilot Scheme for Small Weavers Development Project, which was granted about Dfl. 250,000 by DGIS for the period 1991–3.
- As well as activities directly related to the improvement of weaving, this project comprised social support services, including an informal literacy programme, a day care centre for children and health care provision.
- In June 1994, at the end of the funding support period an evaluation was undertaken and presented to RNE in Dhaka. The study concluded that the project had not met its quantitative targets, but had enabled much new ground to be broken, notably with regard to improvements in the inclusion of women in technological processes, but that inadequate institutional arrangements had hindered attainment of quantitative targets.
- The evaluation recommended extension of the project time frame so that original targets could be met and in order to define strategies for expansion and replication under an anticipated second phase.
- UBINIG broadly accepted the evaluation and was granted a project extension until march 1995, with additional funding from RNE. During this period most of the original numerical targets were met.
- In June 1995, UBINIG submitted a proposal for a second phase. This was not regarded as sufficiently explicit by RNE and six months of negotiations and discussions followed. UBINIG felt that RNE was trying to move the project too quickly towards commercial viability, whilst the Embassy felt that UBINIG had made too little provision to ensure the sustainability of the weaving enterprises receiving support.
- Finally, RNE offered the option of an independent assessment of the most effective approach, to blend the two viewpoints, but UBINIG felt that this was an attempt to impose unacceptable conditionality on the project.

- No agreement could be reached and the option of a second phase of funding through RNE was accepted as impossible by both parties.
- The IOB evaluation studied the current situation of eight groups. It found that only two groups remain active, but UBINIG management has indicated that four are still operational. Much of the investment in factories, machinery and equipment had been unproductive, since these facilities have in many cases already deteriorated.

11 Evaluation of the programmes of Netherlands-assisted NGOs

11.1 Policy relevance

11.1.1 *Introduction*

Netherlands' assistance to NGOs in Bangladesh relates to three distinct sets of policies, namely those of:

- Netherlands' development cooperation;
- Government of Bangladesh;
- the contractual agreement between the Netherlands Government and co-financing agencies.

Each Bangladeshi NGO makes its own policies. These are not directly tied to the policies of any other body, but naturally reflect each NGOs' interpretation of the needs of the people of Bangladesh. NGO policies do, however, intersect at various points with those of GOB, for example in such areas as poverty alleviation, education and health. Given the complex policy environment in which the NGOs are working, it cannot be expected that there will be a visible and direct relationship between their policies and activities and those of the higher-level bodies mentioned. Nor should the importance of Netherlands' policies in Bangladesh be over-estimated. The Task Forces on Bangladesh Development Strategies for the 1990s noted: 'It is reckoned that the degree of influence which a donor can exert upon Bangladesh is directly proportional to the quantum of aid which it is providing For example, Holland and the Nordic countries have a relatively smaller share in Bangladesh aid budget; hence their influence over policy is comparatively limited' (Volume Two, p. 303).

11.1.2 *Policy priorities of Netherlands' development cooperation*

Netherlands' development cooperation with Bangladesh started soon after its Independence in 1972. The early concentration on relief and rehabilitation was replaced over time

by a developmental perspective, which has supported the cooperation between the countries. Between 1972 and 1996, some Dfl. 2.65 billion has been provided to Bangladesh under Netherlands' assistance.

Although Netherlands' development cooperation policy has been refined over the years, certain priority areas have remained consistent. The main ones are:

- promotion of economic development, placing emphasis on national economic self-reliance;
- poverty alleviation;
- environmental protection;
- role of women in development.

Promotion of economic development was mainly attempted through supporting multilateral bodies until the mid-1960s, but bilateral aid had increased to about 30 per cent of the total budget by the early 1970s. Economic development policy is concerned mainly with the macro-economic environment.

Poverty alleviation is clearly at the core of assistance to NGOs in Bangladesh. After early development models based on growth and 'trickle down' to the poor, international thinking (mainly driven by World Bank approaches) moved to the concept of 'redistribution with growth', which showed concern for the need to alleviate poverty directly as well as through macro-economic policies. In 1976, the Netherlands' Government adopted poverty alleviation as its main priority, operating within a 'two-track' policy which aimed to flexibly assist growth strategies and poverty targeted interventions, in a mix which would vary according to the situation of different countries. In 1984 the two tracks were integrated into the single concept of 'structural poverty alleviation', which assumed that both a growing economy and targeted policies and activities are needed to improve the situation of the poor.

In the late 1970s, the concept of sustainable natural resource use was also introduced as an essential component of Netherlands' development assistance. By the mid-1980s, environmental criteria were incorporated into the requirements for cooperation policies and programmes.

In 1980, the Government published a policy paper focusing on the position of women in the development process (*Vrouwen in Ontwikkelingssamenwerking*). Attempts to operationalise this and discussions over the concepts involved led, in 1987, to the publication of a 'programme of actions' aimed at promoting the economic independence of women. Gender issues were to be systematically integrated into assisted projects and programmes. In 1991 a special programme on Women in Development was established and in 1992

a policy paper was published emphasising the need to promote the autonomy of women through development assistance.

11.1.3 *Application of policy objectives to Bangladesh*

The early years of Dutch development assistance to Bangladesh placed a major emphasis on food aid and the rehabilitation or provision of infrastructure. By 1979, the country policy paper noted that these interventions had not favourably affected the poorer sections of the population and poverty alleviation was introduced as the major focus of assistance. Within the rural sector, it was recognised that GOB programmes had not produced any major improvement to the position of the poor and that NGOs had developed more effective approaches. At this time, DGIS itself had no effective route to provide major assistance to these organisations and the role of CFAs and their partner NGOs therefore attained increasing importance in programmes targeting rural poverty. Since the early 1990s, the RNE in Dhaka has increased the range of its in-house technical expertise and has taken a more active role in directly supporting programmes of NGOs.

11.1.4 *Policies of the Government of Bangladesh*

GOB has attempted to tackle poverty through the means of macro-economic policies and specific targeted programmes. According to the Task Forces on Bangladesh Development Strategies for the 1990s (Volume One, p. 91), 51 major GOB programmes to alleviate poverty were implemented in the period 1983 to 1996. The largest government organisation tackling poverty is the Bangladesh Rural Development Board, which organises formal cooperatives and informal groups through which supervised credit programmes are operated, reaching some 350,000 families (Memorandum for the Bangladesh Aid Group, 1995–6, pp. 15–17). In addition, substantial funds have been provided at favourable rates to the Grameen Bank, which was established in 1983. This targets mainly rural poor women and operates through 1044 branches, serving some 2 million families. Another government-supported body is the Palli Karma Shahayak Foundation, which provides credit for on lending by a variety of partner organisations (including 107 NGOs) for self-employment generation and has a total of 217,000 borrowers.

Whilst the national Five-Year Plans produced since Independence have expressed the broad aim of reducing poverty, this has been mainly seen in the context of national economic growth, accompanied by sectoral development programmes. It is only in the Fourth Five-Year Plan (1990–95) that explicit attention is focused on poverty alleviation, including the role which NGOs can play in this process. This Plan also highlights the

role of women in the economy and the means through which this can be protected and enhanced. The poor are characterised as ‘the landless and small farmers, rural and urban informal groups’ comprising ‘about 50 per cent of the total population’ (Fourth Five-Year Plan, pp. 1–6).

In addition to its developmentally-oriented activities, GOB has in place an extensive set of ‘safety nets’ for those temporarily or permanently at the extremes of poverty. The largest provider of such support, the Local Government Engineering Department, implemented in 1993–4 17 major rural infrastructure projects, as well as a number of urban slum improvement projects, which in total created employment of 11 million person days. In addition, the Food for Works Programme provided some 72 million person days of manual work on infrastructure schemes (in 1991/2). The Vulnerable Groups Development Programme is a relief programme for women identified as destitute by their local Union councils and has during its operation assisted nearly 6 million women.

Over time, GOB has come to see the activities of NGOs as an important complement to its own programmes and the Fourth Five-Year Plan for the first time emphasises this perspective.

11.1.5 Contractual obligations of the CFA Programme

According to the contract between the CFAs and the Netherlands’ Government, the CFAs ‘shall seek to contribute to the structural alleviation of poverty through Dutch development cooperation, in the sense of helping to bring about sustainable improvements in the position of poor groups and individuals in developing countries’ (GOM, 1995–2, p. 62). The other main objective of the programme is ‘to strengthen and safeguard civil, political, economic, social and cultural rights of the individual’.

11.1.6 Overview of policy goals

From the above discussion, it can be seen that the NGO programmes receiving Netherlands’ assistance are expected to promote progress towards a complex and demanding set of policy goals. These are listed below (bracketed names indicate which government particularly emphasises each policy goal):

- Structural Poverty Alleviation (GOB and GON);
- Promotion of Women in Development (GOB and GON);
- Strengthen Rights of the Individual (GON);
- Environmentally Sustainable Development (GON);
- Provision of Safety Nets (GOB).

11.2 Achievements of NGO programmes compared with policy goals

11.2.1 Structural poverty alleviation

Structural poverty alleviation implies a sustainable improvement to the position of poor individuals and groups. The evaluation of the NGO programmes shows that there are two broad routes being attempted to achieve this. At an early stage in the Bangladeshi NGO movement, there was a shared view that groups of the poor could be built up to such a level that they would become socially and economically self-sustaining. This unanimity has been replaced by a more diverse set of views and approaches concerning what might constitute sustainability. Some NGOs continue to pursue the development of self-sustaining village groups, amalgamated up to various levels through federations. Others believe that groups of the poor lack the capacity and power to sustain themselves and that the NGO itself must therefore be the structural guarantor of social and economic progress for the poor.

On the basis of the evaluation study, it appears that NGOs which attempt to move groups from an NGO managed to a self-managed status face serious difficulties. Furthermore, since in many areas there is now a choice of NGOs, the poor themselves show a preference to move into another managed group rather than to rely on group leaders from among their peers. It therefore appears that, for the foreseeable future, sustainability is better assured by strong NGOs than by weak people's organisations.

With regard to poverty alleviation, this has both narrow and broad definitions. The former refers mainly to direct improvements in household livelihood, the latter to all aspects of well-being including education, gender roles and health. Again, the Bangladeshi NGOs show a range of views on this aspect of poverty. Some have come to concentrate on the narrow definition and operate almost exclusively as savings and credit organisations. Others operate extremely broad programmes which cover economic, social and human rights dimensions. The evaluation found examples of both types of programme which are being successfully managed, even when on a very large scale, and are having a sustainable impact. Firmly-managed savings and credit programmes show the potential to become self-financing operations, whilst broader-based programmes will always need external finance. It should be noted that many NGO clients emphasise the need for skills training to be offered in combination with credit, so that they will have both the human and financial resources to find their way out of poverty. It is, however, doubtful if savings and credit programmes with substantial training components could be self-financing.

Credit is found to contribute to a sustainable improvement in living standards only if it is offered in reasonably high amounts (Tk 2500 and above), regularly and over a period

of several years. Many NGOs are unable to meet these conditions. Their programmes therefore largely operate as 'safety nets', which are regarded as essential by GOB, but which are not part of the Netherlands' Country Programme, even though there is an indisputable need for them, in view of the prevalence and depth of poverty in the country. As an evaluation of the achievements of the Netherlands-assisted NGO programmes with regard to sustainable poverty alleviation it can therefore be said that:

- several NGOs are operating programmes which contribute towards structural poverty alleviation in an economic sense;
- some of these are operating on a scale large enough to benefit a substantial proportion of the poor in Bangladesh;
- the sustainability of the gains made is so far best guaranteed by the strength of the NGOs rather than that of their clients;
- several NGOs are running programmes which contribute towards poverty alleviation in a broad sense, but such activities can only be sustained with some form of external funding;
- some of these programmes are also on a scale large enough to benefit a substantial proportion of the poor in Bangladesh;
- other NGOs are attempting to provide structural poverty alleviation in an economic or broader sense, but are not succeeding, because of inadequate resources, poor management, over-ambition or some combination of these;
- almost all of these less successful NGOs are, however, still performing a valuable 'safety net' function for many poor people;
- the largest explicit 'safety net programmes' are operated by GOB and concentrate mainly on direct creation of low-paid jobs. Many of the poor say that this type of activity is what they need, because they lack access to opportunities for self-employment, which is the main goal of NGO credit and training programmes.

11.2.2 *Promotion of Women in Development*

For a variety of reasons, including their relationship with CFAs, most NGOs are contributing towards the promotion of women in development. In this respect, the following observations are appropriate:

- Many women have made direct economic gains from participating in NGO programmes. In the fifteen NGOs studied in detail, between 50 per cent and 100 per cent of direct beneficiaries are women.
- Many have gained directly marketable skills in the process.
- The role of women as the household's route to credit, which has been introduced by most NGOs, has brought important social gains in terms of their respect in the household and society.

- The process of participation in NGO group activities in itself raises women's awareness and confidence, and thus has an empowering effect.
- Women do not see the broader social disadvantages from which they suffer, such as dowry, polygamy and domestic violence as liable to improve in the short to medium term, even though these issues are greatly emphasised by NGO 'empowerment' training.
- Women have begun to feel that their improved status within the household, gained largely through participation in NGO programmes, may in the much longer term make inroads into these social disadvantages.
- Many NGOs lack coherent internal gender policies and practices, even though the issue has frequently been the subject of discussion with CFAs.

11.2.3 Strengthening the rights of the individual

This is an extremely broad area, which is tackled either explicitly or implicitly through most NGO programmes:

- Many NGOs have explicit project components aiming to strengthen the rights of the individual and of groups of the poor.
- For some, this was central to the early NGO concept of 'conscientization' and has been carried through into their current programmes.
- For others, the issues around social rights have become only a subsidiary target of their activities.
- Still others specialise in matters affecting rights, offering programmes which include such elements as legal rights training and assistance, and empowerment of groups to gain access to government resources intended for the poor.
- Adult literacy and Non-Formal Primary Education programmes of NGOs should also be seen as major examples of improved access of the poor to services which are their right.
- An important gain cited recently is the greatly increased exercise of voting rights, particularly by rural women, which resulted partly from active promotion of the national election by NGO fieldworkers.

11.2.4 Environmentally sustainable development

Most of the programmes of NGOs are environmentally positive or neutral:

- Rural credit and training are mainly used for small-scale economic activities such as trading or farming.
- The target groups of the NGOs do not have access to substantial land areas and do not utilise intensive agricultural techniques because they cannot afford them.



Small and irregular credits are often used for consumptive purposes: women peeling potatoes for a village wedding feast in Mymensingh (Photo by Sean Sprague/Lineair)

- Some NGOs have programmes of sustainable land use which have resulted in take up of such activities, mainly on a small scale.
- Some NGOs have substantial programmes of roadside tree planting and maintenance.
- Some NGOs are active lobbyists for development and adoption of sustainable land use policies in Bangladesh.
- Several NGOs are active lobbyists against specific large-scale water resource management projects, notably some of those under the Flood Action Plan, which they see as socially and environmentally damaging.

11.2.5 Provision of safety nets

Netherlands' assistance policy focuses on structural poverty alleviation. 'Safety net' activities may be interpreted as short-term relief, which is normally addressed through other budget lines than the Co-Financing Programme. It is therefore unclear whether such activities are intended to be supported. GOB promotes safety net programmes on a large scale, because poverty is so prevalent in the country, because many people lack the basic resources to move out of it, and because even when progress is made, the frequent natural calamities can force people back into poverty. Although the activities are on a

large scale, they are still insignificant compared with the prevalence and depth of poverty. Furthermore, the programmes are not designed to have any impact on the prevailing unequal social structure and therefore offer no possibility of moving into a sustainable phase at any time in the future.

In the area of safety net provision, because of their effective organisation at field level in most of the country, NGOs play a major part in emergency relief and rehabilitation, drawing on resources from GOB and the international community, including the Netherlands. In addition, several of the NGOs supported under the CFA programme are also operating longer-term 'safety net' programmes. This may be because of one or more of the following reasons:

- They have insufficient financial, management, or human resources to operate structural poverty alleviation programmes.
- They operate in geographical areas in which natural resources are too poor to allow sustainable progress.
- Their programmes are less successful than anticipated.

As well as making an important immediate contribution, the possibility remains that such programmes may in future be strengthened and scaled-up, thereby moving towards structural poverty alleviation.

11.2.6 Conclusion on policy relevance

The evaluation team concludes that there is a high degree of conformity between the NGO programmes implemented and Netherlands' policy goals. Even those NGOs which intend to promote structural poverty alleviation, but fail, provide a valuable 'safety net' function. Although this is not the intention of the Netherlands' Country Programme, it is of great benefit, given the desperate plight of the nation's poor people. It is also in keeping with Government of Bangladesh policy and practices. These recognise that the intended structural improvements are still a long way off for many of the population and that, in the meantime, something must be done to help them survive.

11.3 The effectiveness of programmes of Netherlands-assisted NGOs

On the basis of fieldwork evaluations, interviews undertaken and the substantial body of documents and files examined, the study team has made its assessment of the effectiveness of the programmes offered by NGOs receiving Netherlands' assistance. Effectiveness is here interpreted to mean:

- the extent to which intended beneficiaries have used services provided and their assessment of them;
- the degree to which a programme has had impacts on its intended beneficiaries, notably in terms of poverty alleviation and in enhancing the position of women;
- the extent to which programmes have led to social changes favouring the poor ('empowerment') in participating communities.

11.3.1 Services provided by NGOs, their utilisation and beneficiaries' assessment of them

The first dimension examined is the services provided, the extent to which they are utilised by the intended beneficiaries and the assessment made of them by their target groups.

Credit (and savings)

There is no doubt that the service most used and valued by the poor is the provision of credit. NGOs which provide credit have no difficulty in attracting clients. However, according to the beneficiaries participating in the IOB case studies, credit must be regular, in relatively substantial amounts and at predictable times if it is to be useful in raising their economic status. If credit does not fulfil these criteria, there is a considerable danger that it will be used for consumption rather than investment purposes, which in turn increases the likelihood that it cannot and will not be repaid. This finding is supported by several other studies of NGOs in Bangladesh.

Among the NGOs receiving Netherlands' assistance there is great variation in the ability to meet these criteria of effective credit provision. It was found that some of the largest and some of the smallest, most specialised, NGOs are able to provide usable amounts of credit to all their members at regular intervals. Others, including some large organisations, have expanded their programmes beyond the capacity of their loan funds to meet demand. This has negative repercussions. Loans can be given according to various criteria, to cope with the inadequate supply. At best, loans of usable size can be dispersed to members according to a controlled rotation system. At worst, groups receive erratic amounts which are monopolised by a few people in leadership positions, while the rest get nothing, or so little that they cannot use it effectively. It is also clear from the field studies that where groups have credit distribution as one of the purposes of their operation, this becomes by far the most important in the minds of the members. It is evident that attendance at meetings of groups which do not fulfil their members' credit needs steadily declines, often leading eventually to the collapse of the group. The main way in which members compensate if an NGO does not meet all their credit requirements is simply to join one

or more additional credit programmes, run by other NGOs, by Grameen Bank or by one of the various GOB institutions in this field.

Some NGOs are opposed to their members having multiple membership of credit schemes, fearing repayment default. It is notable in this respect that those NGOs which have the best supply of credit also tend to have the most effective forms of ensuring repayment, or put more clearly they have the best credit management systems. The issue of 'overlapping membership' among clients generates considerable heat at field and headquarters level among NGOs. It appears on the basis of field evidence that there are incidents of unethical practices through which more aggressive NGOs 'steal' members from others. However, it seems to be more generally the case that those organisations which most closely meet their clients' credit needs and which most tightly specify repayment requirements, gain in the process of overlapping at the expense of NGOs which have less strictly managed credit programmes. There is clear evidence that, in those areas where several alternatives are available, the poor are able to distinguish between providers. Indeed, they sometimes join an organisation thought to have a higher interest rate than their existing one, on the grounds that it can provide sufficient credit to generate more additional income than its higher interest charges. Furthermore, there are signs that competition is beginning to bring some direct benefits to NGO clients. For example, ASA has taken measures to reduce its interest rates and other NGOs are looking at ways to make their credit packages more attractive.

Almost always associated with credit is a requirement to participate in savings, sometimes on an individual basis, sometimes on a group basis, sometimes on a mix of the two. A few NGOs allow members to access their own savings once these have reached a certain level. This is valued by members since it reduces the amount they need to borrow with interest charges. However, most NGOs prefer to retain the group savings and utilise them within the Revolving Loan Fund, thereby generating income to offset against their operating costs. In many cases, members can only obtain their savings by leaving the group, which automatically cuts off their right to credit. Thus, although most NGOs devote considerable time in their training programmes to extolling the virtues of savings and thrift, to the majority of members this is simply a price they have to pay in order to obtain credit.

Training

Most NGOs provide training. This is often conceived as being of three broad types: empowerment-related, health- and nutrition-based, and skills-based. Training related to empowerment includes literacy, leadership, awareness raising, group procedures and management, accessing government services, legal rights and women's rights. Health and

nutrition may include such areas as hygiene, sanitation, diet and kitchen gardening. In some programmes more specific skills, such as those for Traditional Birth Attendants, are also taught. Skill-centred training includes agriculture, pisciculture, sericulture, tailoring, poultry and other livestock raising, tree planting, environmental protection and a variety of specialist topics, including those provided by NGOs operating in urban areas.

It is clear from the case studies that many poor people place an extremely strong emphasis on their desire for skill-centred training in association with credit. This is particularly so for women. They are in many parts of the country new entrants to the field of income-generating activities and are unable to make use of the credit available to them because they lack any marketable skills. Training is therefore essential.

In contrast to the emphasis of the poor, many NGOs focus their attention on empowerment-related training. Some of this is directly useful, notably where clients are empowered to access government services related to income-generating activities (e.g. poultry vaccination). But, according to many clients, much of this type of training has no value. Many women see no possibility of changing the dowry system, early marriage or other socially determined disadvantages. They therefore regard such training as a poor use of time which could be spent learning a practical skill to help combat their personal poverty. The over-emphasis on empowerment training without linkages to specific local opportunities for change seems to be partly a reflection of the history of the NGO movement outlined in Chapter Three. Although the approach of conscientization leading to a radical change of rural society has been largely discarded by many NGOs concentrating on credit provision, their training sometimes proceeds as if it is still actively pursued. In this respect, it seems that organisations such as Nijera Kori, which concentrate on empowerment issues in relation to specific opportunities for change, are in a stronger position to help their members make tangible gains.

Training in the areas of health and nutrition has a variable response from clients. There is little enthusiasm for the benefits of sanitation, but more so for such aspects as vaccination, improved nutrition and water supply. Again, clients emphasise that such training should have a practical emphasis relevant to their own situation. Some NGOs were found to use centrally-designed courses which are totally irrelevant in some of their operating areas and thus waste people's time. This generally lowers the appreciation of training offered and may cause people to avoid other training courses which could actually be useful to them.

It was found that several organisations are weak and ineffective in their training programmes. In addition to the poor quality of training itself, selection of participants is haphazard. Often, a limited number of people have attended several courses, while most have received no assistance. Some NGOs work on the principle of training one member

of a group, who is expected to pass on the knowledge to other members. It was often found that no such dissemination takes place.

A few organisations were seen to offer skills-based training of good quality. BRAC and Proshika are notable examples as well as the much smaller CDA. Interestingly, one of the largest NGOs, ASA has almost completely eliminated training from its programme. Since it is one of the major credit-based NGOs, this appears an inappropriate omission and one criticised by its clients. In the minds of many of the poor, credit and skills must be used together if they are to pull themselves out of poverty. Another NGO which offers no skills-based training at all is Nijera Kori (NK). This organisation is one of those which reacted against the perceived over-emphasis on credit of the 'mainstream' NGOs in the country. NK concentrates exclusively on consciousness raising and empowerment of its groups and seems broadly successful in its endeavours. An important element of its success is that, through its highly specialised and concentrated programme, it has empowered its members to such an extent that they have been able to gain economic benefits, through access to government land and water bodies, improved wages or share-cropping arrangements. Despite these achievements, NK's members still expressed a desire to receive skills-based training.

Other services

Many other services of NGOs relate to the credit and training components. They include provision of resources for income-generation projects, such as livestock, tree saplings and seed varieties, environmental health inputs such as pit latrines and boreholes, often at subsidised prices, and legal aid. Some of these services are provided by NGOs involved in integrated development projects, whilst others are supplied by specialist NGOs, usually operating on a small scale.

A survey of NGOs receiving Netherlands' assistance, but not included in the fieldwork evaluations indicates that most are implementing programmes which are similar to those of the bigger NGOs, but on a much smaller and often localised scale. Some additional areas which are covered by these medium and small NGOs but not usually by the bigger NGOs are: medical care and running of small specialist hospitals, family planning, youth work, urban problems such as drug abuse, working with the handicapped, and localised relief and welfare work. These projects are mainly assessed by the CFAs or the RNE through reading the reports provided by the NGOs and it appears rare that they are ever formally evaluated or visited by representatives of the funders. In this respect Novib, through the establishment of the nominally independent Nova Consultancy, has recently developed some local capacity to work with smaller NGOs. Cebemo to a limited extent uses Caritas Bangladesh in this role.

11.3.2 Impact of the programmes

Poverty alleviation

With regard to the poverty alleviation impact of credit programmes, this varies substantially according to some of the factors discussed in Section 11.2.1 above. Essentially, it is mainly where credit is both regular and in reasonably high amounts that it has a noticeable impact. An Impact Assessment Study undertaken by BRAC estimates that an improvement in household living standards can be attained after a minimum length of membership of 2.5 years, with a cumulative credit of Tk 7,500. Although these precise figures may or may not be accurate in different circumstances and for different clients, the principle is firmly supported by the results of the current study. Small amounts of credit, such as the Tk 1000 occasionally disbursed by some organisations, are not enough to invest in activities which are sufficiently productive to generate additional income for reinvestment, until the next loan becomes available. They therefore make no contribution to sustainable poverty alleviation. It is possible that small amounts, disbursed regularly, may also have some impact, particularly in urban areas where there are opportunities for petty trading, which can bring rapid profits. Large amounts made available at irregular intervals are often utilised by group leaders and not made available to poorer members. Indeed, poor members lack the skills or opportunities to effectively use large amounts and are therefore likely to run into repayment difficulties. The most marginalised members of Bangladeshi society, the 'tribal' groups have so few opportunities that they are found not to access the credit resources available to them. When asked, they indicated a desire for employment opportunities rather than credit.

As noted above, NGOs have increasingly sought to professionalise their service provision. This is particularly so with regard to credit, in which some NGOs (and their donors) invest enormous sums of money and where accountability should be a prime consideration. Donors have understandably insisted on high-quality advisory facilities being utilised by NGOs managing the bigger funds. This advice has in many cases reinforced the direction in which the NGOs were moving on the basis of their own experience. The clear trend among NGOs focusing on credit is to favour clients with the capacity to borrow regularly and substantial amounts. BRAC, ASA and Proshika have all received external advice to this effect. Indeed, BRAC has already made substantial progress in ensuring that it has productive clients. In 1992/3 it expelled nearly one quarter of its members, most of whom were not borrowing regularly and recruited new members expected to stimulate loan demand. Such measures will raise the sustainability of credit operations. However, it is also clear that currently, and increasingly so in future, such operations will avoid the so-called 'hard core poor' who have insufficient productive investment opportunities to generate high loan repayments.

With regard to credit and poverty alleviation, it therefore seems that two streams have emerged. On the one hand, there are programmes which supply regular streams of credit to the 'moderately poor' on a semi-commercial basis, which achieve high repayment efficiency and which have a favourable impact in moving these beneficiaries out of poverty. On the other hand there are NGOs which supply small, or large but irregular, amounts of credit, which have varying repayment attainments and which are not alleviating poverty to any discernible extent. In this respect, it should be noted that the provision by donors of small 'one off' grants for programmes with a credit component is likely to be self-defeating. As shown above, credit must be of amounts large enough to be used productively and repeated for several years before it has any impact on poverty alleviation. The concept of a one-off grant or of a grant for a trial assessment period in the field of credit is therefore contradictory to a basic principle of operating in this sector, namely the need for medium-term predictability of credit provision to clients. The 'one-off' concept appears to be currently applied by both the RNE and the CFAs (for NGOs being supported on a 'trial' basis) and is unlikely to produce results satisfactory either to the donors or the NGOs concerned.

The field study also noted that some of the most remote areas, where poverty is likely to be at its most severe are served only by small local NGOs with insufficient resources to make a substantial impact. The larger NGOs display a tendency to overlap each others' operations in more accessible areas. Here, clients have already demonstrated the capacity to successfully utilise and repay credit, and understand the basic principles of NGO operations. NGOs therefore prefer to set up new facilities in such localities, rather than risk entering untried areas, which will require a major investment in preparation before any programme can be started.

An area in which credit provision, particularly for women, is shown to be particularly productive for a disadvantaged section of the population is in urban slums. The fieldwork studies show that women in these settlements themselves have access to productive activities and are less restricted than rural women. Furthermore, the opportunities available to them offer a quick return and opportunities for reinvestment, which enable relatively small loans to generate an impact on poverty. Since urban poverty is clearly an increasing problem in the country, these efforts seem a strong area for support.

Other sectors in which poverty alleviation (under a broad definition of poverty) has occurred are in improved nutrition through small-scale vegetable (often using organic production techniques) and livestock production, preventive health measures through access to and use of clean water and (to a far lesser degree) sanitation, improved awareness and use of health services and increased use of various government services and programmes. Basic literacy and numeracy as well as access of children to non-formal

primary education may also be seen as making a long-term and less direct contribution to poverty alleviation.

It is clear that even for those clients who have moved out of poverty through successful access to and use of credit, gains are rarely so large as to permit an improvement in their basic asset base. In particular holdings of land for homestead or farming purposes rarely change. This is not surprising in view of the extreme scarcity and high value of land in Bangladesh. A few of the most successful clients, often those who started from a rather better than average position, have improved the physical quality of their homestead. Subsidiary improvements, such as construction of a pit latrine, house improvement, planting of trees and creating a cleaner environment, are more common, often through access to other programmes of the credit-providing NGO.

Overall, it can be seen that training has had a mixed impact on poverty among its clients. Skills-based training associated with credit is seen by most of the poor as the combination necessary to offer the potential for economic improvement. Even here, it is vital that the training is tailored to opportunities that exist locally. Training in the broad fields of empowerment and health and nutrition can play a positive role, but are less valued by the clients than skills training. In a number of organisations the poor quality of the training programme and ineffective strategies, which leave the majority of members untrained, mean that little is currently contributed towards poverty alleviation through training activities.

An area into which few NGOs have ventured, but which is commonly cited as the real need of many of the poor, is the creation of alternative non-farm employment opportunities. Tribal communities in particular cited this as of far more potential value than credit. Many members of these communities must currently sell their labour for low rates as migrants in order to survive. Many members of mainstream Bengali society also have few income-generating opportunities and this is particularly so for women. The apparent success of the various infrastructure-related activities undertaken by Labour Contracting Societies and similar organisations, in the water and roads sectors, indicate the high demand for work, even in the most unfavourable circumstances and with low rates of pay.

Gender impacts

On paper, women are the major recipients of credit. In some cases, such as ASA and the urban NGOs Shakti and Sheba, women are virtually the only direct beneficiaries of this facility. Whereas in the urban areas, women themselves are able to fully utilise the credit available, in the rural areas this is less often so. This is because in most locations there is little tradition of women pursuing employment or business opportunities outside those

which can be conducted on a very small scale within the homestead. To some extent, this can be overcome by skills training, since there are many activities such as small livestock rearing and kitchen gardening where women can operate successfully within the social norms. The 'core poor' women such as divorcees and widows do increasingly operate outside of the homestead, notably on labour-intensive projects such as road and embankment works. However, as noted above, members of this category fall largely outside of the main credit programmes because they are not able to borrow sufficiently large amounts.

It appears that in some rural areas, little of the credit is actually used by women, but that in others as much as half of it may be used directly by the formal recipients. However, even where women have little direct role in the use of the credit, they find a substantial advantage in participating in the programme. In the first place, their respect in the household is greatly enhanced by being the route to credit. This finding was repeated in all areas and for all NGOs which disburse reasonable amounts of credit on a regular basis. As well as this improvement in their situation, many women reported improved self-confidence and willingness to appear in public as a result of their participation in group meetings, other activities and training.

The impact of training on women is also mixed. In the fieldwork undertaken, women did not generally express enthusiasm for the training they receive on empowerment or legal rights, although there were examples where this has been useful. NGOs and CFAs have, however, indicated that there are many programmes which are valued by the women participating in them. The viewpoint prevailing among women participating in the IOB fieldwork is that such social phenomena as dowry, arbitrary divorce and violence against women are beyond the capacity of village groups or even federations to tackle. Rather, they may be overcome in the long term through the indirect means of raising the economic and social status of women within the household. Thus, becoming the household's route to credit is seen as equally or more empowering than only messages about empowerment.

One weak point encountered in many of the NGOs receiving Netherlands assistance is in their internal gender-related policies and practices. Few have succeeded in recruiting substantial numbers of female staff and even fewer have a reasonable proportion of female managers. Many NGOs have undertaken studies of this issue, usually in response to donor requests, and the results have proved discouraging. Even basic measures to make office employment attractive to females, such as toilet provision, child care facilities and appropriate scheduling of meetings have rarely been taken. At field level, where women face the possibility of serious harassment, few NGOs have developed and implemented policies and practices to protect their female staff. Indeed, one internal NGO report found that its female staff were just as likely to be harassed by their colleagues as by outsiders.

From the field evidence, it appears that smaller NGOs with a local base are more readily able to recruit and retain local female staff than are the larger organisations. However, it appears that many NGOs are now taking this issue seriously and a number (including Proshika and RDRS among those studied) have formulated and begun to implement gender policies.

With this background, it is perhaps surprising that the large NGOs have been as successful as they have in working with female groups in rural areas. It appears probable that the messages concerning empowerment and rights for women could be yet further strengthened if the NGOs were to make more serious efforts to properly organise their own operations. In this respect, it is to be hoped that the NGO gender policy documents which are now appearing will have a tangible impact in the near future.

Social empowerment

Social empowerment achieved by the programmes is not as dramatic as originally hoped for and envisaged by many of the NGOs during their early phases of operation. Even though NGOs, when their programmes are aggregated, provide a wide range of services and activities covering much of the country and with millions of participants, they have not led to any major change in the social order. Fundamental factors of the rural social order, notably the unequal distribution of land and the prevalence of landlessness have not changed. Whilst many NGO members have been trained to analyse their local social order and understand the underlying causes of their poverty, this has not enabled them to act as a mass force. Even where many years of effort have been expended on building up federations of local groups, little evidence emerged of their capacity to initiate major social movements against the power structure. Rather, NGO clients generally express a preference to have less training concerning these immovable forces, in the face of which they feel helpless, but rather to have a combination of credit and locally adapted skills training to help their personal situation.

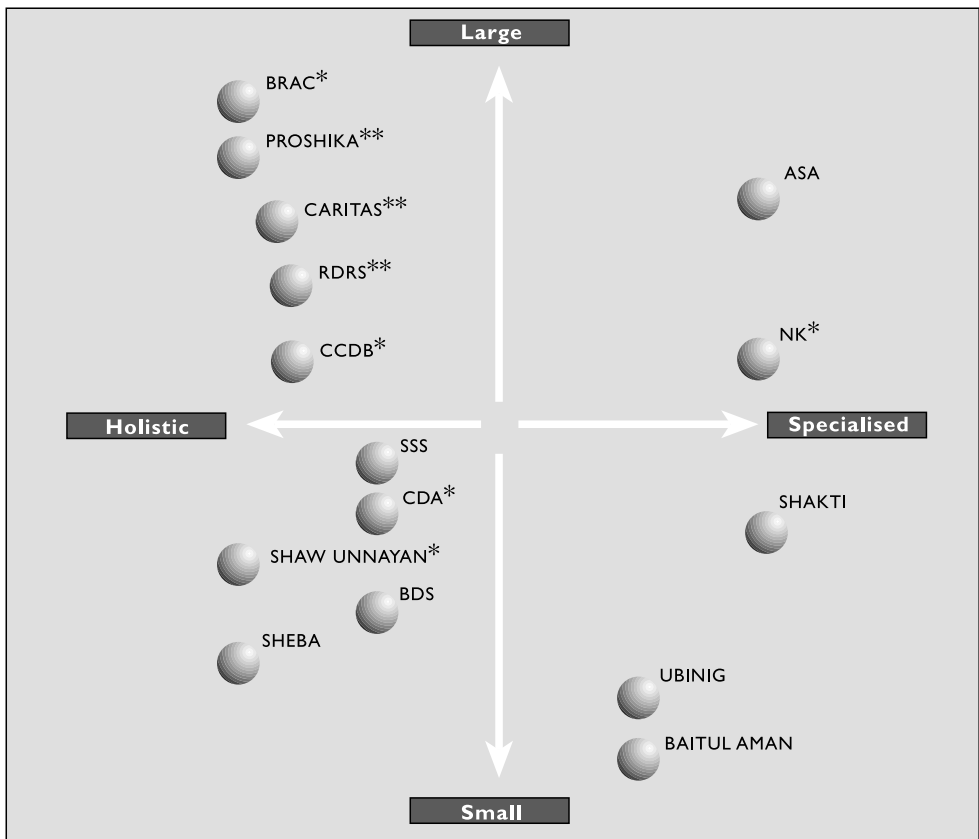
Empowerment has occurred on a relatively limited scale in connection with gaining access to government resources such as khas land and water bodies, for which the poor are in principle intended to be the prime category of beneficiaries. There is evidence that some small NGOs, which are set up by well-motivated members of the local elite, have better linkages, and therefore better access to these government resources than the larger NGOs which are usually outsiders to a particular locality. It is also clear that an NGO such as Nijera Kori, which specialises in promoting empowerment, has a better chance of success in this area than large multi-purpose NGOs, for whose fieldworkers empowerment is seen as a sideline to the more pressing business of meeting credit disbursement and recovery targets.

It therefore seems that empowerment training is most likely to be effective when targeted at a specific local goal and that in the absence of this, it becomes ineffective information and exhortation which is regarded as of little value by the members of village groups. It emerged from the field research that clients of a credit focused NGO such as ASA, claim to receive as much empowerment-related information as they need or want through occasional informal discussions after the credit accounts have been completed. Members of groups organised by NGOs which spend far more time on empowerment issues do not necessarily retain a higher level of information or enthusiasm concerning the subject. However, where empowerment messages are related to activities which bring tangible benefits to members, they are favourably received and acted upon.

Legal awareness training does show some benefits, again if it is focused on providing information which can be used in practical circumstances. Instances of the misuse of police power seem to be common in rural Bangladesh and a knowledge of the limits of these powers has been demonstrated to be useful in a number of cases. Similarly, the extent of the authority of local self-appointed courts has also proved a topic of considerable importance to some villagers, particularly where religious restrictions on the behaviour of women are the subject of judgement. As with the areas raised above, it is where NGOs have moved from general messages concerning the social structure to specific areas of disadvantage about which something can be done, that they have provided real benefits to their members.

At a broader level, it seems that participation in group meetings and activities, regardless of their content promotes a heightened degree of self-confidence over time. Women in particular gain a degree of acceptance of their right to move about and even to visit offices of NGOs or Government to access services. They are able to act upon this acceptance because of the enhanced personal confidence gained through regular interactions with other group members. The NGOs have therefore to a substantial extent and depending on local circumstances, reduced the degree of isolation imposed on women. This is in itself a notable achievement. The greatly increased participation of women in the recent national elections has been cited by NGOs as partly a side-effect of this gradual entry of women into public life. Moreover, NGOs have organised voters' education campaigns.

Two major aspects of the operations of NGOs which limit the degree of empowerment they have been able to generate for their clients are the lack of local cooperation among NGOs and the absence of meaningful contact between NGOs and local government in many areas of the country. If NGOs were to systematically cooperate, they could work with their total client base in any area to pinpoint major development constraints and opportunities and then plan the most effective means of jointly acting to gain benefits. In many cases, in order to act successfully, they would need the cooperation of local government. However,



*= attempt at partial hand over from NGO to self-management

**= attempt at handover from NGO to self-management, including financial control

Figure 11.1 Typology of programmes of 15 NGOs in IOB field study

it seems that in many areas contact between Government and NGOs is extremely limited. Government officers complain that they have little information on NGO programmes, that they are aware of excessive overlapping but can do nothing about it, that NGO schools often compete with rather than supplement government schools, and that NGOs only come to them when they have a problem which they cannot solve on their own. In other areas, however, NGO activities are to some extent formally coordinated through monthly meetings at the District level. It is also notable that some ADAB Chapters play a liaison role between member organisations, as do other NGO networks.

11.4 Efficiency of the NGO programmes

On the basis of the case-study evidence, it appears that there may be some systematic factors affecting the efficiency with which programmes are implemented. Figure 11.1 attempts to summarise these factors. It is intended only as an overview of the situation and not in any sense as an accurate rating of the exact size of NGOs, or the precise degree to which they operate holistically or in a specialised fashion.

NGOs can be seen as operating along three dimensions. They may tend towards a holistic approach, emphasising a broad definition of poverty including elements of the social structure, or they may decide to specialise in tackling a particular dimension of poverty such as the need for credit, training or empowerment. The second dimension is that of scale. Whilst some NGOs see 'scaling up' as an essential part of their mission in assisting to tackle poverty, others feel more comfortable operating on a local scale in an area well-known to them and in which they have a network of contacts. The third and apparently critical dimension is the extent to which the NGO attempts to hand over management of the programme to the groups formed, usually through some system of federation of member organisations to a higher level. Where this hand over includes financial control and management, it has yet more influence on the efficiency of the operation.

On the basis of the field studies, and using Figure 11.1, the following observations appear appropriate:

- specialised programmes are easier to run efficiently than are holistic programmes, except where the specialisation is in itself difficult (notably the employment creation programme of Ubinig) or where funding is so small that the operation is essentially welfare provision (Baitul Aman);
- holistic programmes can be run efficiently, even when they are large (e.g. BRAC);
- small programmes can be run efficiently, but often suffer from insufficient funding and/or from lack of access to best management practice through training;
- large programmes, whether holistic or specialised, can be run efficiently (BRAC, ASA);
- programmes in which partial hand over of management to member groups is practised can be run efficiently (NK, BRAC, CDA, SU);
- programmes in which full hand over of management, including of financial management, to member groups is practised have so far not been able to achieve efficiency (Proshika, Caritas, RDRS).

The evaluation points to one major area in which difficulties are consistently occurring. This is among those NGOs which are attempting full management hand over to member groups, including financial management. The difficulties are magnified by the fact that the NGOs concerned, Proshika, Caritas and RDRS are all operating on a substantial scale

and with holistic programmes. It appears that these NGOs commonly face difficulties associated with phasing-out. These may include all or some of the following symptoms:

- declining group size;
- poor attendance;
- poor record keeping;
- declining savings;
- leadership dominated by better off members;
- leaders have disproportionate access to any benefits remaining from group membership;
- lack of understanding among ordinary members of principles and value of federation and phase out;
- declining interest of general members of retaining association with the group;
- tendency of members to join new groups under NGO management, with same or another NGO.

Other common, but not universal symptoms include accusations of or demonstrated financial irregularities, reluctance of NGO fieldworkers to intervene in any way, declining access of groups to credit or groups in principle excluded from NGO credit and training programmes.

In the face of these problems, it is clear that the phased-out groups need substantial support from the NGO fieldworkers. But these workers see bringing new groups into the programme and working with others directly under their own management as of much higher priority than attending to groups which no longer come directly under them. It is notable that CCDB, whilst developing a new programme based on principles of participation at the same time removed financial control from the groups and put it back in the hands of its field staff. It appears from correspondence between CFAs and NGOs and from studies undertaken (such as the DEEDS Evaluation) that the difficulties of management hand over to members is well known, but that organisations which are trying this process have rarely shared experiences to see how they can best proceed. In this respect, it seems that cooperative approaches are now emerging. CCDB held a seminar on 'Credit for the Poor' in May 1996, at which I/C Consult (a joint advisory service of ICCO/Bilance), the Bangladesh NGO Affairs Bureau and a number of NGOs participated. CCDB and Caritas are intending to organise a joint workshop on people managed credit in the near future. The emergence of the Credit Development Forum, a network of over 400 Bangladeshi NGOs active in the field of microcredit, is also potentially a significant step forward.

For all organisations offering credit as one of a range of services, their clients indicated to this study (and to other studies) that credit is their main reason for participating in group activities. It can therefore be anticipated that, since the NGO credit 'market' is

becoming increasingly competitive, and since there are major credit-based organisations which are constantly expanding their programmes, any organisation which 'phases out' its members to the extent of making them ineligible for further credit will over time simply lose them.

Furthermore, it is clear that the majority of members of savings and credit schemes have more faith in the financial management skills and probity of NGOs, than they have in those of their group leaders. Whilst claims of financial dishonesty were hardly ever voiced against NGO staff, they were frequently raised about leaders of groups handling money without external supervision by the NGO. It was not the concern of the evaluation to attempt to verify such claims. But the fact that they are made is sufficient evidence that those receiving credit are more confident when dealing with an accredited organisation with formal management procedures, than with the relatively well off and educated group members who normally occupy management roles in phased-out groups. This therefore raises serious questions about the value of the effort which is put into building federations. It seems that NGOs intending to follow this route face a relatively clear choice. Either they should retain a substantial degree of financial control after phasing-out the groups for other purposes and allow the groups to remain within their credit schemes, or they should seriously reassess the concept of federation.

The clear preference of members for financial management by NGO staff exists despite its high cost to them. A study of credit systems at field level (Zahin Hasan 1996) undertaken as part of the IOB evaluation shows that the real cost of credit is about 45 per cent to 50 per cent higher with direct NGO management than under self-management by groups.

11.5 Sustainability

The issue of sustainability has several dimensions. At one level, the sustainability of the NGOs can be considered a key issue. This clearly relates to whether or not donors will continue to support them, since most are highly dependent on international funding. At the next level, the principle underlying the practice of 'phasing-out' NGO support to member groups is that the village organisations and their higher-level federations (where formed) will themselves become able to survive without their 'parent' NGO.

With regard to the former issue, some of the traditional donors have begun to show signs of wishing to reduce the funding they make available to Bangladesh. This is seen by the NGOs in the context of 'donor fatigue' coupled with the increasing diversion of funds from the Third World to the emerging countries of the former Soviet bloc. So far, the development of donor consortia and the arrival of new donors have largely compensated

for any lost income. Furthermore, for those NGOs seen as having a 'harder' image and able to demonstrate firm financial management, yet larger sources of funding are opening up through bilateral, multilateral and commercial sources.

It can be seen that some NGOs, particularly ASA and BRAC are well on the way to achieving financial self-sufficiency for their credit operations. Paradoxically, this also makes them the most attractive to new donors. Whilst it appears that credit on its own can become self-sustaining, it is also clear that substantial skills-training programmes cannot be funded out of service charges. And yet, in the minds of many poor villagers, it is the combination of resources and skills which presents the possibility of self-improvement and not simply access to money.

Other programmes, most notably in the area of non-formal education, continue to require huge donor inputs and will never be in any other position. This sector will in the long run face the inevitable question as to when or if GOB will be able to take over the operation. In principle, there should come a point at which the NFPE programmes have caught up with the backlog of non-entrants to the government system, so that the GOB schools will be able to provide places for all new entrants. Perhaps the main difficulty facing this sector in the long run is that the NFPE programmes are widely perceived to provide a substantially better quality of education than the government schools and it will therefore be extremely difficult to phase them out. This is an area in which donors could constructively commence discussions with GOB and NGOs at the earliest opportunity.

The major concentration of many NGOs and their donor partners, on the need to raise social consciousness and change the structure and values of society, also seems highly unlikely to be sustainable without substantial and long-term external support. Whilst many NGO clients value these inputs to some extent, there is no evidence that they would be prepared to pay for them. In fact, the findings of this evaluation and many other studies indicate that members' interest in group activities (except in a few specialised NGOs) is only retained by the prospect of obtaining credit. Since multilateral and commercial sources are not likely to find social empowerment a financially sound investment, it is clear that this burden will continue to fall on bilateral and CFA/NGO donors. The sustainability of these components of NGO programmes is therefore almost entirely dependent on continuing interest among this group of donors.

The sustainability of local groups and their federations after 'phasing-out' by their NGO 'parents' seems to face major difficulties, on the evidence of this and other studies. Indeed, one senior officer of a major NGO was so convinced that this is the case, that he ironically informed a workshop hosted by the study team that 'the concept of phasing-out has been phased-out'. Field staff of NGOs running 'holistic' programmes tend to see credit

disbursement and recovery figures as the criterion by which their office will ultimately be judged. Activities such as training, which are often provided by specialist groups of staff, although to some extent independently valued and assessed, tend to account for a relatively small proportion of the overall budget and make a less tangible input to the organisation than to its clients. Support for the 'phased-out' groups is therefore not high on the list of priorities of NGO workers. Among phased-out groups themselves, the only enthusiasts seem to be those in official positions, who often still derive some direct benefits from contact with the NGO. Indeed, it is not clear why anyone should wish to occupy such a position and risk the mistrust and disapprobation of his or her fellow villagers, unless some benefit is derived from the work undertaken.

One factor contributing to the lack of clarity concerning what aspects of NGO operations are sustainable is the poor quality of information available within the sector. Many NGOs have efficient systems to monitor financial aspects and to record such formal aspects as numbers of groups, training sessions held and so forth. But the number of good-quality evaluations or impact assessments is disturbingly small for a sector which receives so much money. It is indeed only very recently, with studies such as those on BRAC and the Caritas DEEDS programme that convincing results based on field-level evidence have appeared. For the rest, studies are characterised by an over-reliance on relatively unprocessed survey data, internal records of the organisations concerned and small-scale qualitative research projects. On the basis of the CFA files and of local evidence in Bangladesh, it is clear that most NGOs do not greatly appreciate study by or involving external parties. Many such studies have taken a long time to appear (if at all) due to disagreements over their contents.

Programme evaluations of CFAs and their NGO partners in Bangladesh have also not always been productive. A 1982 evaluation of Novib's cooperation with BRAC (*Development For Whom? Novib's Policy in Bangladesh: the Case of BRAC*) was roundly condemned by both parties and its findings were not therefore fed into the developmental process in any way. A 1987 ICCO/Bangladesh Programme Evaluation seems to have been less controversial. Much of the evaluation is purely descriptive and the study team indicated that it felt unable to draw definitive conclusions, because the fieldwork time was short and in any case many integrated programmes were at too early a stage of implementation for evaluation. However, it made some potentially useful recommendations. One of these was that ICCO should formulate a policy towards Bangladesh. Ten years later, this has still not formally emerged. However, ICCO has indicated that following the evaluation, it instituted a consultation process among its partner organisations. This resulted in an operational document which has been used since then. An updated version was expected to emerge as a country policy document during the course of 1997.

In 1988, an evaluation of three Novib-partner big NGOs in South Asia was conducted. BRAC was the organisation selected for study in Bangladesh. BRAC emerged rather positively from this study and no controversy seems to have arisen. However, it is also far from clear what use was made of the study findings or indeed whether they were intended to have any utility. The most recent (1994) evaluation concerned 'NGOs and Sustainable Land Use in Bangladesh'. This was a relatively thorough study of three Novib partner organisations operating in this sector, CDA, Proshika and ADAB. The evaluation concluded that the three programmes have had a positive impact in a number of areas, including national environmental policy, the agro-ecology of the localities benefited, the socio-economic status of participants and the raising of awareness of member groups. However, it also noted that restrictions on land availability, the short duration of land use contracts available to most poor people, and competing uses for the organic matter necessary for environmentally sustainable farming pose substantial limitations on the scale of benefits which can be realised at field level. Given its broadly positive conclusions, the report seems to have been well-received by the parties concerned. Follow-up activities have been undertaken. Pilot projects and training on sustainable land use have been organised by Novib in cooperation with the Bangladesh Rural Reconstruction Association (BARRA) and ITC/ILEIA of Netherlands.

The evaluations undertaken seem to have suffered from a variety of deficiencies. Notably, they display a lack of clarity concerning the underlying purpose of the study, a poor relationship between the limited resources deployed and the breadth of the topics to be investigated and a failure to focus on core issues of the Bangladesh programmes. It is surprising, for example, that an evaluation of sustainable land use has been undertaken, which certainly accounts for less than 5 per cent of Netherlands assistance to NGOs, whereas credit programmes which account for the bulk of expenditure have not been at all examined within a national framework.

11.6 Institutional dimensions of NGO programmes

11.6.1 Association of Development Agencies in Bangladesh (ADAB)

ADAB is an alliance of individual NGOs and networks of NGOs. Membership is voluntary and some major organisations have not joined. It has a donor consortium of which Novib is a member and an annual budget of some Tk 2.5 million. As well as its central office, which is active with regard to national concerns of the NGO sector, it has an extensive Chapter organisation covering all regions of the country. These local Chapters should play an important role in mediating between NGOs, particularly with regard to such issues as overlapping operations. So far, however, the local Chapters have a very diverse level of performance and the important NGOs do not always exhibit enthusiasm to participate in them.

In principle, ADAB sees itself as playing a major role in helping small NGOs to develop their capacity. Earlier, ADAB tried to provide training services itself, but now it is more involved in bringing together those providing and requiring training through improved information and networks. Although representing all levels of NGO, ADAB is currently dependent on the support of a number of big NGOs and its effectiveness as a national platform is thereby reduced.

The performance of ADAB was evaluated in 1993 and an impressive and well-analysed array of recommendations was made for improvement. Many of these pointed the organisation in appropriate directions, but to implement even a small proportion of them appears way beyond the financial and personnel capacity of the organisation. Furthermore, unless some means can be found to give the organisation a real independence, such as the status of a Trust, it appears likely to remain unduly under the influence of a small group of major NGOs.

Currently, ADAB is perhaps most effective in attempting to bring relations between Government and NGOs on to a more systematic footing after various misunderstandings in the early 1990s. In the past, and to a large extent currently, these relationships both at national and local level are far too dependent on personalities to enable a fully cooperative environment to develop.

In this area, ADAB is now receiving assistance from the Asian Development Bank (ADB). In 1992, the ADB commissioned 'An Assessment of the Role and Impact of NGOs in Bangladesh'. The report of this study, as well as providing a brief overview of NGO activities, highlighted the barriers provided by the ineffective institutional framework linking NGOs and Government. Arising from this study, a project has recently commenced to strengthen these linkages. The project enables GOB and NGO staff to work together at national and local levels in a number of practical ways this is seen as a first step towards promoting a Joint Working Group which can eventually prepare the way for a permanent Consultative Council to regulate Government-NGO relations and cooperation. ADAB has been one of the main players in the development and implementation of this project, which is clearly an important one.

11.6.2 *The NGO Affairs Bureau*

The NGOAB was established in 1990, to bring together various functions previously performed by several different government organisations, to help ensure the quality of the NGO sector and its accountability to the State. It has a number of specific tasks to perform, including the registration of NGOs, approval of project proposals, reviewing reports and

statements supplied by NGOs, coordinating, monitoring, inspecting and evaluating NGO programmes, approving auditors of NGO accounts and maintaining liaison with NGOs and donor agencies.

Since it commenced its work, the number of NGOs under its scrutiny has risen from about 350 to over 1000, including big NGOs and numerous smaller NGOs distributed in most parts of the country. In the meantime, its staff has remained at about 60 and the facilities available to it in terms of data management and processing have not improved. Against this background, strict rules have been introduced concerning the time which the Bureau can take to process applications, whilst the scope, size and range of NGO activities have all mushroomed. Needless to say, the Bureau has extreme difficulty in completing its tasks in a timely fashion and finds itself in a position in which its work is rarely appreciated.

The ADB project has provided some support, including in such practical areas as computerisation.

More recently, the World Bank has also become interested in the NGO sector and in how relations between GOB and NGOs can be made more effective for development purposes. The WB has concentrated its attention in particular on the legal and fiscal frameworks of NGO operations and on steps which might be taken to streamline and modernise these. It has also supported the concept which emerged from the ADB work of a Government–NGO Consultative Council (GNCC) and made proposals for the strengthening of the NGO Affairs Bureau.

These developments, in particular the proposed streamlining of the financial and legal frameworks and establishment of a Consultative Council, would greatly help the Bureau to meet its workload. Even should these developments occur, one major difficulty will not be tackled. This concerns the requirement for small NGOs from far reaches of the country to travel several times to Dhaka before their papers can be approved. The Bureau sees no practical possibility of decentralising its operations, given restrictions on staffing and budget. In the long run, if Government decentralisation becomes effective, it may be possible to devolve some tasks to local government, under the supervision of the NGOAB, but this is still some way off.

The Bureau regards its relationship with ADAB as highly useful (Dr Salehuddin Ahmed, Director General, personal interview). ADAB helps in issues of conflicts between local NGOs. It also supplies the Bureau with overviews of NGO operations in the country which Government can use in international discussions, and suggests organisations which may have the potential to cooperate with Government on policy and project initiatives. One

area in which the Bureau feels that strong action is needed, but which it sees as beyond the scope of ADAB, is in organising and regulating the NGO credit sector. At the moment, there are no commonly applied systems for calculating interest charged, service charges, returns on group savings or other key information which should be made available to all members of NGO groups, so that they can make informed choices. There is a lack of transparency in the NGO credit and savings sector. It is possible that the relatively new network, the Credit Development Forum may be able to help develop more acceptable practices and information systems.

Another area in which the Bureau (as represented by its Director General) feels that current practices are highly inadequate is the relationship between the CFA donors of NGOs and the Government of Bangladesh. Donors spend much time discussing plans with NGOs, but do not contact the Bureau, which is responsible on behalf of the Government for liaison with them. As a result, much money given to NGOs is used in areas which are not government priorities and, as far as the Bureau is concerned, many projects prove to be a total waste of money. Too many donors seem to be pursuing their own interests, without meeting the Government's appointed body to discuss how NGOs fit into national policies and development frameworks. In this respect, the Bureau finds bilateral donors better than CFAs. Bilaterals discuss their interests, for example with the Ministry of Health or Education, the Ministry talks to relevant NGOs and then the NGOs come to the Bureau with their specific proposals. CFAs, on the other hand, appear to talk only to NGOs and to ignore Government. These NGOs come to the NGOAB with finalised plans which have been prepared entirely without consultation with the Government. Furthermore, the very large sums of money which are expended by NGOs on CFA assisted programmes, without adequate coordination with GOB, promote mistrust. The Government feels that it has increasingly involved NGOs in the national development planning process, but that some NGOs feel that because they are financially independent, they do not need to cooperate with Government.

Against this viewpoint should be set the fact that the approach of the CFAs is to stimulate NGOs to maximise their own coordination and cooperation with Government at national and local levels. The degree to which this has been achieved was found to vary between NGOs. However, several of those studied already have substantial programmes in which they work with or on behalf of Government. Furthermore, it is also evident that many innovations made by NGOs, often with CFA support, have later been adopted as good practice by Government. More broadly, it has been seen that the mandate defined for CFAs is to work with NGOs and that any move by them to deal directly with Bangladesh Government agencies could be interpreted as moving into the policy area appropriate to the Ministry of Foreign Affairs, and therefore to be undertaken by RNE.

11.6.3 The co-financing agencies

Cebemo

Cebemo has long established relationships with six partner organisations in Bangladesh:

- Caritas Bangladesh (1971);
- Association for Social Advancement (ASA)(1984);
- Cooperative Credit Union League (1987);
- Dhaka Ahsania Mission (1991);
- Coordinating Council for Human Rights (1988);
- Technical Assistance for Rural Development (TARD) 1990.

Currently, more than 30 organisations in Bangladesh are cooperating with Bilance and over the last twenty years more than 35 NGOs have benefited from support.

For the last 15 years, Cebemo has focused particularly on helping with the development of the social and economic activities of Caritas as its major partner. Conversely, Caritas has become a major support organisation for Cebemo, helping in such areas as project evaluation, assessment of new funding proposals, information gathering and avoiding financing of NGOs with overlapping programmes. TARD is another NGO which helps Cebemo to operate effectively in the country. Cebemo could not itself develop sufficient capacity to monitor the NGOs it supports without these local organisations. In future, ASA might play a similar role with regard to credit activities, where it could help other bodies develop disciplined systems. Cebemo accepts that it is unlikely that the ‘poorest of the poor’ can be reached through such activities as credit, but feels that interventions in such fields as health and education do reach them.

Traditionally, Cebemo has not been greatly involved in the field of formal capacity building programmes for its partners. Over the last 5 years, however, it has become more occupied with this, but only with the agreement of the partners concerned. Bilance feels that it is important to avoid trying to be ‘managers at a distance’ for NGOs and that the possibility of an ‘expert’ in Bangladesh managing the Cebemo programme is equally to be avoided.

Bilance follows closely what happens in the programmes it supports, most particularly at the stage of programme/project planning and appraisal. For technical assessments, cooperation with the German co-funder Misereor plays an important role and most field-based studies also rely heavily on Cebemo’s key partners and local consultants. Historically, Cebemo has often complained about the poor quality of progress reports received from its partners, including Caritas but in general suggestions made by the CFA

have been followed up. With regard to Caritas, Cebemo has often expressed concern that activities are expanding too fast and that Caritas is not adopting an effective gender policy within its own organisation.

In fact, Cebemo has also expressed similar concerns over the activities of its other major partner, ASA. In 1988 it approved a specific Women's Development Programme for ASA and since this time, for a variety of reasons, ASA field activities have come to concentrate almost entirely on women, whilst its internal gender policies have remained relatively ineffective. Cebemo was also actively involved in the establishment of the ASA donor platform, which now has five members. More recent discussion between the partners have paid particular attention to capacity development of the NGO and to the process of promoting self-reliance of its credit groups.

Reports from evaluation studies, preferably by joint Dutch–Bangladeshi missions are the most important opportunity for Cebemo desk officers to make the CFAs' perceptions play a real role in the operations of the NGO. These evaluations are usually rather contentious and many documents and discussions must be held before agreement is reached. However, it is felt that in the long run such frank exchanges are an essential part of the concept of a relationship of partnership.

Bilance plays an important role, particularly for its larger partners, in mediating between the NGO and larger bilateral or multilateral sources of funds. In this respect it has had far more success with DGIS than with other sources, such as the EU. However, even with DGIS there are rejections, such as for the proposed Caritas social housing credit scheme.

Cebemo/Bilance has limited resources available for work with small NGOs and is cautious about taking on new partners, since it is not clear what will be added to the activities of either party by such additions to its programme.

With regard to the impacts of the activities of its partners, Bilance feels that it is now getting better measurements of outputs than in earlier years and that impact measurement is one step further, which it may try to take in future. Certainly, evaluations undertaken recently have had a more critical stance, for example of ASA's programmes and of DEEDS than was previously the case. Perhaps surprisingly, in view of its long history of cooperation with Bangladesh, Bilance has no policy document describing its policy or intentions there.

Cebemo believes that the presence of substantial CFA-assisted activities in Bangladesh strengthens the overall Netherlands assistance programme. It provides a sense of history and continuity in the development relations between the countries and in Bangladesh,

networks of long-standing contacts are important for effective relations. Among the CFAs, there is no systematic Bangladesh forum or communication of positions or activities.

ICCO

ICCO's latest (draft) policy document indicates that the organisation intends to serve its partner organisations on the basis of a 'demand driven' approach. Under this, its strategies and support programmes will be built up according to the needs and priorities identified by its partner NGOs and their clients. Within this approach, naturally, ICCO will bring its own policy views, built up through dialogue with its support base in the Netherlands. Within Bangladesh, the CFA currently has 20 partners.

Like the other CFAs, ICCO attaches great value to its long-term partnerships with Bangladeshi NGOs, based on shared visions of human values and development. Material objectives such as income generation, savings and credit, emergency relief and rehabilitation, health training, non-formal and primary education are substantial components of supported programmes. ICCO also strongly emphasises the importance of broader social aims and the long-term development of human resources. Over time, the activities supported have in fact tended to converge on women as the key target group, the institutional development of local members' groups and credit and savings. ICCO tries to maintain a balanced portfolio between NGOs of different size, innovative and well-proven programmes, and to support NGOs with a clear vision and which operate in a cost-effective manner.

ICCO feels that in its relations with partners in Bangladesh, a major contribution has been made through the long-term perspective of discussions held and through its role in capacity building of NGOs. This it feels is distinctive from the more project-based orientation of bilateral donors. ICCO helps its partners develop, but does not attempt to push them to take steps which are too far in advance of the position which they have already reached. Funds give power, but ICCO places great emphasis on mutual respect with its partners. It also plays an important role in translating the activities and achievements of Bangladeshi NGOs to people in the West, who have little understanding of the situation at ground level. One major area in which it is active relates to water management and, in particular, the Flood Action Plan platform.

It is important for ICCO to retain Christian relationships with its partners, but within the framework of professional development organisations. Adopting a critical perspective on the role of the church in society, both in North and South is an important part of its work, although currently about 50 per cent of its partners are non-Christian. ICCO's main partner is the Christian Commission for Development in Bangladesh (since 1985).

ICCO is part of a consultative group of donors, from with the World Council of Churches family, which jointly assist CCDB with its policy development and field programmes. This group engages in extensive discussions with the NGO, particularly at the stage of development of programme proposals, which tend to be substantially modified before support is agreed. Progress reports, evaluations, field visits, special workshops and other instruments are used to assist in assuring the quality of the CCDB programme.

Another important partner is Rangpur Dinajpur Rural Service (since 1992), whose donor contacts were until recently coordinated by the Lutheran World Federation. ICCO's entry into the donor group followed a gradual reduction of support from another WCC partner, EZE of Germany. ICCO provides about 10 per cent through Category IV funds and roughly 15 per cent through DGIS funds of the financial support available to RDRS. One partner organisation which is substantially different from ICCO's usual contact group is Nijera Kori. The objectives of NK, such as empowerment of poor groups, support for their struggle against the rural power structure and the build up of civil rights do fit well with ICCO's stated intentions. Furthermore, other donors from the Protestant family, such as Christian Aid and EZE, also support NK. ICCO has to date only made a short-term funding commitment to NK, but has indicated to the evaluation team that it intends to increase this in the coming years.

ICCO receives many proposals from new NGOs for assistance, and assesses them wherever possible through field visits of its staff. Many potential new partners are referred to it through the WCC network and through the RNE in Dhaka. Since it already has 20 partners in Bangladesh, it feels that it has reached its capacity in terms of management and financing. Unlike Novib and Bilance, ICCO has few funds from its own resources and must try to cover all its administrative costs from the 7,5 per cent (normally) allowed for this purpose by DGIS. Currently, the administration costs received do not fully cover its expenses and further expansion is therefore highly unlikely.

Furthermore, complex issues such as overlapping are more easily tackled with existing partners than with unknown organisations. In budgetary terms, 70 per cent of its available funding for Bangladesh is already committed for continuing programmes. ICCO now also plays a role in mediating additional funding for its partners with bilateral and multilateral funders. ICCO feels that with the increasing decentralisation of bilateral aid, this mediating role based on its long experience in Bangladesh will become more important.

ICCO has recently designed a new project assessment system, which will enable its project officers to measure achievements according to defined criteria. This was made available to other CFAs, but the differences in their internal systems are substantial and it

is not likely that a common format will emerge. In future, reports from its partners should focus more on improved quality of information rather than simply on the quantity and should highlight the effects and, where possible, impacts rather than mere outputs and performance.

As far as ICCO is concerned, between the CFAs there is an openness of information, but each primarily relates to its own partners. It is mainly where issues emerge which affect them all, such as responses to the Flood Action Plan, that they more formally coordinate. For ICCO, other organisations within the World Council of Churches family are a more important reference group and meet annually to discuss key issues of their work.

Novib

Novib has linkages with 14 partner organisations in Bangladesh, including the two biggest, BRAC and Proshika. Novib has a formal policy document to guide its cooperation in the country. Its linkages aim particularly to address structural aspects of poverty alleviation. It therefore gives considerable attention to education, promoting civil society, legal aid and human rights and monitoring impacts of government policies on the poor. However, the most important contribution financially is made towards income-generating credit and savings schemes.

Novib's policy is that NGOs' operations should attempt to reach as many people as possible. It therefore concentrates its assistance on larger organisations, which have demonstrated their capacity to implement large-scale programmes, and which can also provide supporting inputs to smaller local organisations. Long-term relationships are part of the 'Novib method' and the CFA has over the years made substantial inputs to assist BRAC and Proshika in their attempts to build up an independent financial base to guarantee their long-term operations.

Novib also tries to stimulate its partner NGOs to do their own fund-raising and some have been successful in accessing resources from GOB. Its own Campaigns Department receives substantial amounts from the public for NFPE programmes. Novib also believes that some elements of NGO programmes, which need repeat funding, can be best approached through loans and these are becoming an increasing part of the portfolio of some NGOs.

Novib supports the principle of building up member's groups to a stage at which they can operate independently of the parent NGO. In its policy document, 'Structural Poverty Alleviation in Bangladesh' Novib indicates that this might be achieved within a five year period. Field evidence suggests that this is likely to be somewhat over-optimistic.

CFAs have recently played an important role in encouraging Bangladesh NGOs to professionalise their lobbying activities. Whereas previously they have tended simply to repeat a limited set of arguments, they have now been stimulated to undertake proper research, including accessing legal advice, before presenting their case in public. This has helped with such activities as lobbying against FAP, which is supported by Novib and ICCO collaboratively.

Novib is mainly concentrating on its larger partners (BRAC and Proshika) although the recently established Nova Consultancy has improved its capacity to consider some small NGOs under its new initiatives funding. New partners are rarely obtained through ad hoc applications, but mainly come through existing contacts. The RNE often asks if Novib can continue support begun under its Small Fund programme. Nova will also help in local capacity building and should itself move away from dependency on Novib and occupy a place in the consultancy market. Within the available overhead fees, Novib cannot work with many small projects, which cost almost as much to administer as much larger activities. This money contributes towards the costs of running the programme, but does not cover them.

Overlapping of NGOs is frequently discussed at Donors' Consortium meetings and is also partly addressed through Novib's funding and involvement with ADAB. There are also important common issues with regard to credit policy. For example, Proshika has proposed subsidised credit for the 'poorest of the poor', but Novib does not see how this can fit with the notion of NGOs attaining an increasing level of self-sufficiency.

With regard to BRAC, Novib played a major role in encouraging it to accept a Donors' Consortium, which has enabled it to step up the scale of its operation. Novib invested substantial resources in developing the Consortium, is the lead organisation in it and employs the Donor Liaison Officer on behalf of all members.

For Novib, the development of a strong civil society in Bangladesh is a major concern. It therefore puts some 30 per cent of its funding in the country into this area and a further 10 per cent into supporting advocacy work. This advocacy work may at times even go so far as to challenge existing DGIS policies and programmes, thereby serving to sharpen the focus of Dutch policy. Novib sees this approach as different from that of bilateral funding, which still remains primarily project driven. With regard to poverty alleviation, which consumes the majority of Novib funding in Bangladesh, Novib operates on several fronts. It supports organisations directly involved in the field, it helps its partners to strengthen and develop themselves and it lobbies for international policy support. Perhaps the major distinction which Novib perceives between itself and bilateral funders is that it has a partner policy rather than a project policy.

Within Bangladesh, Novib has meetings with other members of the 'Oxfam family' to harmonise on such issues as project monitoring and evaluation, gender policies and affirmative action. In the Netherlands, there are twice yearly meetings with Bilance and ICCO, which cover such fields as gender, cost-effectiveness and consultancy arrangements. The importance of European networks such as Eurostep and Oxfam is growing for Novib.

11.6.4 NGO perceptions of CFAs

NGOs value CFAs as particularly strong allies. To them, CFAs are not donors but partners. For example, CCDB has worked with ICCO for 25 years. This relationship has helped the NGO to develop a range of aspects, including monitoring and evaluation, policies, field-level support and accountability systems. Similarly, Caritas has had a long association with Cebemo and is kept informed by its partner about new emphases of Netherlands' Government policies. For example, more emphasis is now seen to be placed on monitoring and evaluation. Over the years, a major influence has been exerted by Cebemo, but not in immediately obvious ways.

NGOs feel that CFAs share a similar culture with them and that through regular and intensive interaction they are able to pass on skills and ideas to one another. Bilateral donors require many reports and visits, but are inclined to concentrate on short-term development fashions rather than on long-term achievement. CFAs provide a valuable service of mediation between NGOs and bilateral donors, translating information from the NGOs into formats acceptable to the donor Government. Furthermore, the lobbying undertaken by CFAs, and the development education which they make available to the public in Netherlands, have a long-term influence on continuing support for the work of the NGOs.

CFAs also provide linkages with NGOs operating elsewhere in the Asian region, or even further afield so that experiences and effective approaches can be shared. NGOs pointed out that, by sharing their Bangladesh experience, they also contribute substantially to the knowledge available to CFAs for their operations in other countries. Bilateral donors tend to focus on a particular country with which they are dealing and not to think of the importance of international linkages.

The assistance given by CFAs in the development of donor consortia has helped several large NGOs. This has enabled them to scale-up their operations, but without the consortium mechanism, NGOs could not have coped with the various reporting requirements of multiple donors.

For smaller NGOs, the relationship with CFAs is not always so positive. Sometimes, a CFA will refer them to a bigger NGO which is already its partner. According some smaller NGOs, the bigger NGO may then force them to change their proposal or to work in a different area, in order to protect its own interests. Instead of having a simpler procedure, smaller NGOs find that they must deal with two organisations in order to obtain their relatively small amounts of assistance. Small NGOs feel also that they get much less access to the support and services of the CFAs than do the big NGOs, even though they need these more. In addition, they are rarely offered the same long time frame of assistance that larger bodies receive. Some smaller NGOs indicated that they have been offered more assistance in such areas as training and accountancy from RNE than is available to them from CFAs.

11.7 The Ministry of Foreign Affairs

11.7.1 *The Ministry and the CFAs*

The CFAs are an important vehicle through which the Ministry channels Netherlands Development Cooperation assistance. Parliament approved CFA access to such funds in 1965. The conditions and policy criteria for allocations from the so-called Category IV funds have evolved in line with the experience of the CFAs, in recent years through discussions between the Minister and the platform for the CFAs, the GOM (Gemeenschappelijk Overleg Medefinanciering).

According to current agreements, key elements to be addressed by the Co-Financing Programme are:

- structural poverty alleviation;
- civil, political, economic and social human rights;
- the need to pay attention to women in development, sustainable development and geographical and sectoral coherence;
- intervention approaches through participation by target groups, process oriented interventions and democratic organisations.

As well as Category IV funds, the CFAs have access to other budget lines for their work in Bangladesh. These include sector and regional funds, rural development and emergency aid categories. These do not require any matching funds from the CFAs and have gained in importance in recent years. Nevertheless, between 70 and 80 per cent of the DGIS funds accessed by the CFAs for their work in Bangladesh come from Category IV.

11.7.2 The Royal Netherlands Embassy

In recognition of the quality and effectiveness of their programmes, some Bangladeshi NGOs are now receiving funds direct from the Ministry. The major example is the BRAC Non-Formal Primary Education Programme, which is now funded directly through the Royal Netherlands Embassy. In this respect, CFAs can see that their long-term contribution in helping to build the capacity of certain major NGOs has opened up access for these bodies to larger sources of funding than the CFAs themselves can provide. Another modality of direct funding is the involvement of some NGOs in the implementation of specific components of bilateral projects. The water sector is the major one in which this has occurred with Netherlands-assisted projects in Bangladesh. This type of cooperation is not always successful, largely because NGOs often have to accept project designs in which they have had no planning role. In certain instances, there may also be a conflict of interest between the poor target group and the manner in which a project is being implemented.

The RNE also has an Embassy Small Fund at its disposal. This is used flexibly, notably to support women's projects and activities in the water sector. Use of the funds is sometimes monitored by consultants on bilateral projects with which the expenditure is associated, sometimes by local consultants and sometimes through submission of progress reports.

Amongst the roles performed by CFAs, they have traditionally played a major role in mediating between NGOs and DGIS for access to bilateral funds. However, recently the RNE is taking a much more direct role in such activities and this trend seems likely to increase. In the Netherlands, the CFA desk officers have regular contact with the DGIS Bangladesh desk, related to such activities as reporting, financial justification, project appraisal and preparation of evaluations. During country visits, the CFA staff also meet with RNE staff to discuss progress and any bottlenecks which may be occurring. Embassy staff are intended to receive and analyse the progress reports of NGOs, which are routed through the CFA counterpart to DGIS and thence to the RNE. Embassy staff indicated that these procedures allow an unacceptably long period before reports must be made available to them (sometimes up to 1.5 years in practice) and that by the time they are able to give their comments, inappropriate actions may already have been taken by the NGO concerned.

Some RNE officers expressed the view that CFA staff are far from the field, have little 'hands on' knowledge of local realities and are therefore not in a position to act firmly or appropriately on any poor management by their local partners. During its reading of reports, mission briefings and correspondence between Dutch and Bangladeshi partners, the evaluation team did not find any major gap in standards or awareness between

CFA and RNE staff working with local partners, which might justify such a viewpoint. Furthermore, it is evident that CFA managers and project officers tend to stay in the same post, or at least in the same region, for a longer period than is generally the case for Embassy staff, thus enhancing the institutional memory of these organisations.

The posting of additional sector specialists has intensified the communication between RNE and the NGOs, and the Embassy is increasingly taking the initiative to involve NGOs in the implementation of bilateral programmes. To date, NGOs have a mixed reaction to this increasing involvement. Some note that, although RNE staff are locally-based, they often appear to have such substantial workloads that they are unable to visit the field for any meaningful period of time. Furthermore, they observe that Embassy specialists have a rapid turnover (usually after 3 to 5 years) and that relatively little experience and knowledge is passed from one incumbent to the next. The NGOs therefore often encounter a discontinuous and sometimes contradictory relationship with Embassy specialists, which they compare unfavourably with the long term, mutually supportive and cumulative relationship established with their CFA partners.

11.8 Evaluation of the linkages between CFAs and NGOs

CFAs from many countries have channelled large sums of money to the Bangladeshi NGO sector since the country gained Independence. This has enabled the sector to grow more quickly and on a much larger scale than in most other developing countries.

The relationships between Dutch CFAs and Bangladeshi NGOs are perceived on both sides to be partnerships, often based on 'like-mindedness' related to religious and/or historical ties.

For the partners, these relationships go far beyond the provision of financial resources, although the long-term support of 'core programmes' has been a major benefit to them. Dialogues on broad principles such as development strategies, joint lobby ventures, empowerment of the poor and human rights are thought to benefit both sides of the partnership.

As well as this somewhat intangible 'added value' of CFAs, there are tangible gains to NGOs through the CFAs' political lobbying in the Netherlands, mobilising public opinion to support assistance to Bangladesh, fostering institutions necessary to reinforce 'civil society', enlarging cooperative networks and extending the range of international donors accessible to the NGOs.

In this respect, it should be noted that the three CFAs have distinct constituencies in the Netherlands, as well as complementary networks of European and world-wide CFA and NGO contacts, and that each has strong historical links with a number of key partners in Bangladesh.

CFAs also play a valuable role in interpreting the achievements of NGOs in a positive manner which can be appreciated by the public in the Netherlands, who might otherwise have unrealistic expectations of what can be attained.

CFAs make important contributions through facilitating the training of NGO senior staff, including at such institutions as at ISS, by providing consultancy services to NGOs, by assisting NGOs to mount or to attend relevant international workshops, by facilitating the (now largely historical) indigenisation process, by helping partners to develop such resources as Vision, Mission and Strategy statements and by organising partners' meetings in Bangladesh

Compared to the efforts of the Bangladesh Government to directly target the poor, the activities of the NGOs are generally regarded as more effective. The support and influence over many years from the Dutch CFAs has played an important role in developing these effective approaches, particularly for some of the larger NGOs which have been the main beneficiaries.

The urge to economise on administrative and overhead costs appears to be influencing the CFAs to channel aid increasingly to large programmes and organisations. This will not necessarily promote the most effective use of resources, since this evaluation shows that small NGOs can be effective and innovative, and sometimes reach remote areas, char lands and other locations which are not always serviced by larger NGOs.

Procedures to make the NGOs financially accountable have been vigorously pursued by the CFAs. Progress reports, internal assessments, monitoring and evaluation studies are also produced and critically assessed. However, there are very few high-quality studies of the impacts of NGO operations, or authoritative evaluations of specific programmes. Furthermore, in view of the very large scale of many NGO programmes, it is unlikely that authoritative studies could be conducted within the limited administration budget available to the CFAs.

A particular sector supported by all CFAs, and in urgent need of coordination, is the growing area of credit provision. Pressing issues are the development of measures to control unethical means of competition between providers, and the requirement for standard and accurate means of presenting the real cost of credit to consumers.

CFAs have enabled a number of NGOs to lobby against programmes of bilateral donors, including those of DGIS, notably in recent years against some activities of the Flood Action Plan. This provides a valuable check against the possibility that such programmes may disadvantage some of the poorer sectors of society and contributes towards the strengthening of civil society both in Bangladesh and the Netherlands.

Overall, the CFAs have made a major positive contribution to the development of NGOs in Bangladesh. Several of these NGOs are known as world-wide leaders in this sector and their concepts and practices have been adopted by others within the country and internationally. However, the CFAs have so far missed the opportunity to maximise their contribution, by acting largely independently of one another. In recent years, some progress has been made in this respect. The GOM country study and discussions between CFAs operating in Bangladesh, the FAP lobby under which some NGOs receive support jointly from CFAs, informal contacts between Desk Officers and participation of CFAs in European networks have all served to strengthen the sharing of experiences and expertise. Nevertheless, the degree of cooperation between the CFAs on specific issues of common interest, such as credit management, overlapping membership of NGOs and the future of federated systems, could be strengthened to the benefit of all parties.

Annex 1 The Policy and Operations Evaluation Department (IOB)

The Policy and Operations Evaluation Department, also known by its Dutch acronym IOB or Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, is responsible for conducting evaluations of Netherlands foreign policy.

IOB is part of the Ministry of Foreign Affairs. It is an independent unit which reports directly to the Minister concerned, who then submits the studies to Parliament. The Department was established in 1977, with a mandate that was restricted to the evaluation of aid programmes. Following reassessment of the Netherlands foreign policy in 1996, however, the mandate of the unit was broadened to include other fields of foreign policy.

From 1977 to the mid-1980s, IOB's emphasis was on individual project evaluations, the status of which was then confidential. During this period about 250 evaluation reports were produced.

Since then, emphasis has shifted from individual project evaluations to comprehensive thematic studies, focusing on policies and modalities of implementation and covering sectors, themes or programmes. The duration of these thematic studies averages two to three years. External independent experts participate in the various phases of the research, under responsibility of the Evaluation Department. Increasingly, institutions or experts in recipient countries are invited to participate in the fieldwork. A reference group consisting of independent experts and Ministry staff is appointed for each study, and advises on the methodology and approach of the evaluation.

The final reports, based on various field and desk studies, are written by IOB's own staff and published under its responsibility. They are discussed with the Permanent Committee on Foreign Affairs with respect to follow-up actions, and are also given wide distribution. Examples of recent thematic studies include: Evaluation and Monitoring, Inter-institutional Cooperation in Higher Education, Humanitarian Aid to Somalia, Environment and Development Cooperation, and Fertiliser Aid.

In 1994 studies were published on the Netherlands country programmes in India, Mali and Tanzania. In 1995, similar studies were initiated on the programmes in Bangladesh, Bolivia and Egypt. These latest studies also gave attention to non-aid bilateral relations between those countries and the Netherlands, in accordance with IOB's new mandate. Authorities in recipient countries are kept abreast of the progress of the evaluation and are invited to comment on draft reports.

Increasingly, IOB participates in multi-donor evaluations. Examples are the evaluation of Rural Small-scale Industrial Enterprises (UNDP, ILO, UNIDO), the World Food Programme, the European Union Programme Food Aid, and Emergency Assistance to Rwanda.

Annex 2 Design and implementation of the study

1 Study planning

Preparations for the study began in October 1995, with the selection by the IOB study managers of the Netherlands-based consultancy team and the recruitment of a lead consultant in Bangladesh. Discussions were held with the selected consultants concerning the most effective means of developing and implementing study methods to fulfil the Terms of Reference. A multi-stage process was formulated with the following elements:

- establishing preliminary contacts with Netherlands CFAs;
- collection and analysis of documentary data from CFAs and DGIS in the Netherlands;
- collection and analysis of relevant documentation concerning poverty and related Government programmes in Bangladesh;
- design and dissemination, collection and preliminary analysis of questionnaire sent to all Bangladesh NGOs receiving assistance from Netherlands CFAs;
- selection of 15 NGOs for detailed field study;
- preparation and holding of executive interviews with selected NGOs;
- preparation and holding of interviews with RNE staff;
- selection of fieldwork areas for study of each NGO;
- recruitment of fieldwork team to work under supervision of Bangladesh lead consultant, with monitoring by Netherlands consultancy team;
- preparation of fieldwork research strategy to obtain data necessary for analysis of issues encompassed in Terms of Reference;
- preparation of documentation, based on the research strategy, as fieldwork guidelines for all staff involved;
- training of fieldwork team;
- conducting preliminary fieldwork with Government and NGO officers at District and Thana level;
- conducting preliminary fieldwork with NGO staff responsible for study area;
- selection of NGO groups for intensive field study;
- conducting fieldwork with selected NGO groups;

- conducting fieldwork with other relevant parties, including local leaders and influential figures, ‘drop outs’ from NGO groups and non-members;
- preliminary analysis of fieldwork results;
- participatory workshop to discuss preliminary findings with NGO officials;
- detailed analysis of fieldwork and NGO responses to it;
- discussions with officers of Netherlands CFAs;
- merging and analysis of all data sources;
- presentation of preliminary report to Netherlands Reference Group;
- presentation of draft case studies and evaluation chapters to participating CFAs, NGOs and the RNE Dhaka and receipt of oral and written responses;
- report revision and presentation.

Conceptually, the study comprised six stages, which are outlined in this Annex. These stages were:

- gathering of preliminary data;
- field research;
- preliminary analysis and presentation of fieldwork findings;
- comparison and merging of full range of data sources;
- detailed discussions with and responses from organisations participating in the study;
- preparation and presentation of final report.

2 Gathering of preliminary data

A number of preliminary data sources were explored by a team of research assistants of IOB. These sources included: files of DGIS of the Ministry of Foreign Affairs, particularly country agreements and broader development policy documents; files from the three co-financing agencies, Novib, Cebemo (Bilance) and ICCO; and previous evaluation studies and relevant reports such as the GOM Country Profile of Bangladesh. From the voluminous documentation available, the research assistants collected those most relevant for the study into master files. They also summarised some documents in the form of background papers.

The Netherlands-based consultants then analysed the master files and background papers, in order to develop an understanding of Netherlands’ development policy towards Bangladesh, its relationship to trends in general Netherlands’ development policy, and the policies and operational modes of the three CFAs. The CFA files also enabled initial impressions to be developed concerning key issues for investigation concerning the relative roles of CFAs and Bangladesh NGOs in delivering, formulating, planning and implementing programmes and projects designed to serve those targeted for assistance

in the recipient country. More specifically, a picture was gained of the range and types of NGOs most involved with CFA country programmes and of how a selection might be made of those to be studied at field level.

While these activities were implemented, the Bangladesh lead consultant, the Netherlands team and IOB study management devised a questionnaire to gather background information from Bangladesh NGOs known to be (or to have recently been) receiving Netherlands assistance through CFAs or from the RNE in Dhaka. The final version of this was sent to some 90 NGOs, of whom some 45 responded, (often after extensive follow-up measures).

In February 1996, a member of the Netherlands-based consultancy undertook the first assignment in Bangladesh to work with the Bangladesh lead consultant to plan and initiate the field research programme. During this mission, a second set of preliminary research resources was accessed. The RNE collects in its Library reports concerning Bangladesh NGOs and particularly those in receipt of Netherlands assistance. These reports were assessed and those relevant for the study were copied. Discussions were also held with RNE staff dealing with NGOs in the country and relevant files of RNE-sponsored projects were examined.

On the basis of the CFA files, the RNE files, returned questionnaires and discussions with IOB and RNE staff, the consultancy team developed a strategy for selection of NGOs for detailed field research. The original intention to study 10 NGOs proved insufficient. Preliminary analysis showed that a number of big NGOs received very substantial support and would therefore of necessity be included in the study. However, there was also a block of medium sized NGOs, some of which had long-standing assistance relationships with the Netherlands, as well as a large number of small NGOs, often serving a localised area, which together made up a category of development partners with characteristics quite distinct from those of larger NGOs. In order to ensure coverage of the full range of NGOs, it was proposed and agreed by IOB that a further five NGOs should be added to the fieldwork study, bringing the total to fifteen.

After the selection of NGOs to participate in the study had been made, their executives were contacted to present the study to them and request their cooperation. No NGO refused to participate in the research. The consultancy team, sometimes together with the IOB management team, then held executive interviews with those NGOs within or readily accessible from Dhaka. Some small and medium NGOs with no representation outside their areas of operation were not accessed at this stage. During the executive interviews, arrangements were made to gather relevant documentation concerning each NGO's operation, including any major studies or evaluations. Follow up interviews were

conducted to select locations for field research for those NGOs with national or regional coverage.

3 The field research

3.1 Sample selection

Fifteen NGOs were selected out of about 90 receiving Netherlands assistance. The sample included large NGOs receiving substantial funding through CFAs and/or from the RNE (e.g. BRAC, Proshika Kendra), medium sized NGOs such as Community Development Association and Nijera Kori, and small localised organisations such as Baitul Aman Trust and Barisal Development Society (later renamed the Bangladesh Development Society). The NGOs also represented partners of all three CFAs as well as the RNE and had a strong concentration on rural areas (although some urban and peri-urban projects were also included, to obtain information on this growing area of activity among Bangladesh NGOs). They were geographically distributed in the four regions of the country.

3.2 Selection of fieldwork locations

Discussions were held with those NGOs operating regionally or nationally, in order to select study locations which could form part of a coherent geographical research plan. A major aim was to ensure a broad geographical spread and to include areas often overlooked in smaller studies because of access difficulties. After consultation with the NGOs and bearing in mind the operational areas of the small local NGOs, the locations to be covered were agreed as Habiganj, Rajshahi, Barisal, Patuakhali, Dinajpur, Panchagarh, Tangail and Dhaka. For the larger NGOs, it was important that areas studied should include most of the main elements of their range of programmes. The research was then planned so that more than one NGO could be studied per field trip, operating from a base in a location which could provide security in the unsettled circumstances which prevailed in the country during the fieldwork, and which could, when necessary, provide suitable accommodation for female field staff.

3.3 The fieldwork team

The fieldwork team consisted of the national lead consultant, a second senior consultant, a specialist in financial and management analysis, and a team of research assistants who were mostly Masters students, supplemented at times with field workers from a profes-

sional research agency. As far as possible during the fieldwork, a consistent team was used and each NGO study included five research assistants. A member of the Netherlands consultancy team participated in the fieldwork in the Rajshahi area in order to provide quality control and to gain an understanding of the circumstances in which fieldwork was conducted.

3.4 Fieldwork design

The fieldwork study design was undertaken jointly by the Netherlands and Bangladesh consultancy teams. The research was to concentrate on addressing the core themes of the Terms of Reference, namely:

- Is delivery of Netherlands-supported activities effective and efficient?
- Are achievements sustainable?
- What is the significance of Netherlands support qualitatively and quantitatively?

On the basis of themes, interpreted in the light of documentary material from the CFAs, NGOs and RNE and preliminary interviews, a series of fieldwork guidelines were drawn up in Bengali. The guidelines covered the conduct of group discussions and individual semi-structured interviews and in addition a standard questionnaire was produced for individual interviews. Research assistants were then given specific training on the nature and requirements of the study, and on the methods and approaches which would be used, including note taking and writing up.

3.5 Conduct of fieldwork

In each area, fieldwork began with executive interviews at district and then thana level. Wherever possible, the District Commissioner and Thana Nirbahi Officer, as well as any NGO managers at these levels, were interviewed. Detailed discussions were held at the Thana level NGO office, with managers and staff and wherever possible, relevant documents and accounting records were studied. Where (as in most cases) the NGO office had a weekly work plan, Village Organisations (VOs) to be studied were selected randomly from those due to have meetings during the fieldwork period (which was usually one week). This measure was taken to ensure that NGO workers could not select their highest-performing groups for study or engage in prior preparation of the beneficiaries.

Once groups had been selected, members of the field team attended the scheduled meetings of eight groups. This enabled observation of procedures, participation, topics of discussion, methods of dealing with savings and credit and the general conduct of meetings.

At the end of the scheduled meeting, the researcher facilitated a group discussion, enabling members to express their own experiences and viewpoints, but also ensuring that a common set of topics was covered according to the guidelines for group discussions.

From the members attending group meetings, a total of 20 per NGO were selected for semi-structured interviews. These again allowed the participant to express her (or less often his) viewpoints or priorities, but again ensured coverage of essential topics through the guidelines provided for the researcher. In the same villages, researchers also held discussions with 'drop outs', non-members of NGO programmes and members of groups developed by other NGOs working in the area. Interviews were also held with locally influential figures, such as religious leaders, dispensers of local law, Union council members and teachers. This gave a broader view of the NGO operations in the village.

After fieldwork was completed, wherever possible (in 10 out of 15 cases) a debriefing was held with NGO officers on the spot.

4 Analysis and presentation of fieldwork findings

The Netherlands and Bangladesh teams spent two weeks in June 1996 undertaking a preliminary analysis of fieldwork results. Following this stage, a participatory workshop was held with representatives of the NGOs studied. The workshop was well attended and discussions covered a number of fundamental issues emerging from the fieldwork. These included: the economic and social impacts of NGO programmes; sustainability of Village Organisations and of NGOs; credit and savings policies; ability to reach the poorest communities and households; overlapping membership, competition and lack of coordination between NGOs operating in common areas; and relationships between NGOs and local government. The workshop did not seek to establish any conclusions concerning these major issues, but rather to ensure that they are also perceived by the NGOs themselves to be genuine and important issues. In this respect there was a high degree of agreement that the topics raised by the fieldwork are indeed substantial challenges to successful implementation of NGO programmes. In addition to this phase of the discussions, NGOs were invited to give their interpretation of their relationships with donors, both CFAs and bilateral. This also revealed a number of common perceptions among the evaluators and the NGO community.

Following the workshop, the Bangladesh team proceeded with preparation of the draft version of the case study material on 15 NGOs, in close coordination with the Netherlands team.

5 Comparison and merging of data sources

The next stage of implementation was the comparison and merging of the various data sources. These comprised reports, files and interview notes from Netherlands and Bangladesh, analysis of field work findings and of interviews held with staff of the three Netherlands CFAs operating in Bangladesh and with RNE officers dealing with the country.

6 Preparation of draft and final reports

Following this exercise, a draft report was prepared and discussed with the IOB study management team, before being revised for presentation to the CFAs at a discussion on March 5th 1997. After this, on 10th March 1997, the report was discussed with the IOB Reference Group for Bangladesh. The evaluation team then made available to all participating NGOs and the RNE, Dhaka a copy of the draft report components relevant to their organisation, including the evaluation chapters. Detailed discussions on these drafts were then held with RNE and the NGOs in Dhaka in early April 1997. Following incorporation of comments received from the various parties consulted, including detailed written observations from all three CFAs, members of the IOB Reference Group, RNE Dhaka and the NGOs, the Draft Final Report was presented to IOB in May 1997. Discussions were then held within IOB before production of the Final Report in June 1997.

Annex 3 The study team

Study Team Leader and Principal Author: Dr David Todd (Independent Consultant)

Lead National Consultant, Bangladesh: Dr Tasneem Siddiqui (Independent Consultant)

Consultant: Drs Sjef Gussenhoven (ETC Netherlands)

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Annex 4 Case studies of Netherlands-assisted NGOs

Case studies of NGO partners of Cebemo (Bilance)

Association for Social Advancement (ASA)

- ASA has over 375,000 group members, 99 per cent of them female.
- It was set up in 1978 and began its work by strengthening people's organisations through conscientization and training. Organisations became strong and took social actions, but the poor economic status of members made the achievements unsustainable.
- The intended apex organisations of members' groups could also not be sustained, because poor people lost interest when no tangible benefits came from them. Furthermore, the apexes aroused suspicion and hostility among the rural elite.
- The second phase of activities focused on development education, income generation, credit and women's development. This also achieved much, but the integrated development concepts took long to realise, while members placed higher priority on access to credit.
- The third and current phase is centred on savings and credit through groups. At the same time, participation in the groups contributes to raising of awareness of development issues and helps create a new category of people with leadership skill in rural society.
- The ASA programme is focused almost entirely on women. About one third of its own field staff are women, but this is not reflected in management positions.
- Management procedures are decentralised, well-documented and effective.
- The credit programme is standardised and highly disciplined. It provides regular loans of between Tk 2000 and Tk 6000 to all members.
- Many members of the 'hard core poor' do not wish to participate in savings and credit schemes, but prefer to concentrate on daily labouring, which gives an immediate return.
- Although ASA provides no formal training on such issues as how its members can best access services available from government or other providers, its members are well informed on these topics. They state that through meeting regularly and sharing information, such knowledge is disseminated.
- ASA credit has improved the standard of living of members and their households.

- Although women receive the loans, most of the money is directly used by men. Women note that their role as the channel to credit has raised their status in the household.
- As well as access to credit, many women indicated that skills training would be useful to them and possibly enable them to utilise more of the credit received.
- Group members in the area studied compare NGOs on the basis of their perceived characteristics and choose between them. ASA is seen as having a lower interest rate than other NGOs.
- At district level, there is relatively formal coordination between NGOs or between NGOs and government.
- ASA has adopted the concept of economic empowerment as the key for the solution of a broad range of problems of the poor.
- ASA is striving to attain its own self-reliance, but does not aim to make its groups self-reliant.
- As its income has increased, ASA has reduced service charges to members.
- ASA intends to continue operating primarily as a ‘bank-like’ NGO.

Baitul Aman Trust

- Baitul Aman Trust is a small local Islamic welfare organisation, which has been working in the coastal district of Patuakhali since 1981, mainly on social development, welfare and skills training activities.
- Its groups have 941 members, 53 per cent of whom are female.
- In 1994, it registered with the NGO Affairs Bureau and began a community development project in a remote area, in which no other NGOs are working.
- The project aims to organise 60 groups with a total of 1200 members, impart literacy, functional education and preventive health care training, develop savings habits and disburse credit.
- Because of its limited financial resources, the organisation has been able to give its staff little training and few formal guidelines on work practice.
- For the same reason, Baitul Aman has only been able to provide credit to about one quarter of its members. Many of those not served have begun to lose interest in group activities.
- The credit programme is not supported by training in technical skills.
- In the absence of large NGOs, Baitul Aman is playing an important role in a remote area.
- It lacks access to the technical assistance it needs to upgrade its largely untrained staff.
- Its resources are inadequate for the credit needs of the area.
- The Executive Director is a local politician who has blended his political role with directly providing a service to poor people.

Caritas Bangladesh

- Caritas has about 275,000 members, 52 per cent of whom are female.
- It began in East Pakistan in 1967.
- After early relief and rehabilitation programmes, it concentrated on helping raise rural productivity through technological innovations, disseminated through cooperatives.
- Although productivity was raised, the benefits were not mainly reaching the poor. Caritas then became a pioneer in the field of consciousness-raising and empowerment programmes, coupled with savings, credit and training.
- In principle, Caritas now has one programme with 43 elements, which can be made available to members groups on request.
- One of the core programmes, which receives substantial Netherlands assistance, is Development Extension and Education Services (DEEDS), which has been running since 1979 and now has about 100,000 members.
- There is a three tier institutional structure in the DEEDS programme. At the base are village level groups, whose chairpersons are members of the next level, the union committee. These committees are in turn represented on a than level committee, which is known as the apex body.
- Apex bodies receive five years of direct assistance from Caritas, after which they take control of their own assets and management, with Caritas phasing itself out into a support role.
- The field study found that several groups operating under ‘phased out’ apexes were found to suffer from a lack of confidence among members concerning their financial management. Loans were said to be unevenly distributed among members with a tendency to favour group leaders. Allegations of financial irregularities were also sometimes made.
- Group members, particularly those in leadership positions, receive substantial training, with an emphasis on institutional development.
- Skills centred training is also available, but not on a scale to meet the demands of all members who would like to receive it.
- Apex bodies have substantial financial responsibilities, which they find it difficult to fulfil.
- Furthermore, members have high expectations regarding credit and the apexes have insufficient funds to meet these.
- Members have received much training concerning the strength of their collective power. This had led to increased participation in political processes.
- Female members feel that they have gained social mobility and respect through participation in group activities.
- Women members are not optimistic about changing deep-rooted social customs and practices which discriminate against them.

- Caritas is seen by its members as adopting a humane approach to credit repayment, as well as charging a low interest rate.
- However, its procedures are seen as slow and to result in unequal distribution of the limited funds available. Caritas' intention to transfer responsibility to apex bodies is an ambitious one, and the majority of group members exhibit little direct concern in the sustainability of these bodies.
- The programme does not appear to reach the 'core poor'.
- Although Caritas has a high proportion of female staff, many of these are volunteers. The further up the management structure one goes, the smaller the proportion of female staff.

Shaw Unnayan

- SU is a small local NGO which operates in and around Rajshahi district and aims to improve the socio-economic well-being of its target groups among the poor.
- It began operating in 1979 and now has 7,500 group members, two thirds of whom are female.
- It is running an integrated development project in the Bagha area of Rajshahi district, with assistance from Cebemo.
- The approach begins with motivation training, group formation and adult literacy. Savings and credit are introduced in the next stage.
- SU aims to federate its groups into apex organisations at union and thana levels.
- Group discipline is good and savings regular.
- Fieldworkers are locally recruited, which helps them establish good relations with their clients.
- SU has insufficient funds to offer credit to all members at once, and the amount loaned is small, at Tk 1000 per member.
- Members were broadly positive about SU, but were dissatisfied with the small amounts of credit available.
- About half the women invested the credit in activities on their own behalf.
- Access to skills training, in addition to programmes currently available, was another desire of some members.
- SU holds an annual seminar, at which their clients are able to discuss their activities with a range of other community members. This innovation has proved popular with both the group members and the broader community.
- Women report improved confidence and a better position in the household as a result of participating in group activities and receiving credit.
- SU has taken active steps to relate to the local community and to government officers and elected members.

- SU is an example of the contribution which a well-managed and innovative local NGO can make to its beneficiaries and the community.

The Society for Social Service

- SSS is a medium-sized local NGO which operates in the Tangail area.
- It has 29,176 members, of whom 98 per cent are female.
- It is involved in group formation and savings, credit disbursement, rural health development, training, social forestry and functional education.
- Since 1992, it has been running an Integrated Rural Development Programme with funding from Cebemo.
- Savings and educational activities begin immediately on group formation. SSS aims to provide credit to all members on a regular basis.
- Training is provided to selected group members on consciousness raising and leadership development, but does not seem to be well disseminated to other beneficiaries.
- Skills training is not provided, but would be valued by members.
- Although SSS has placed emphasis on sanitation and has loans for this purpose, its members have not yet shown great interest in this part of the programme.
- SSS has the resources to make loans of between Tk 2000 and Tk 5000 available to all of its members with reasonable regularity.
- Tangail is an area in which many NGOs are active, and coordination among them and with government is not yet effective.

Case studies of NGO partners of ICCO

Bangladesh Development Society

- BDS is a small NGO which works in the Barisal, Faridpur, Madaripur and Gopalganj areas.
- It has 4985 members, 80 per cent of whom are female.
- It was founded in 1964 and in its early years undertook welfare and educational projects.
- Over time, BDS moved into the field of sustainable community development and in 1994 it produced a new vision, mission and strategy based on an Integrated Community Development Approach (ICDA).
- ICCO is funding its largest activity, the Institution Building programme, which forms part of the ICDA. This began in 1992 and is now in its second phase. It aims to form 750 cooperatives with 15,000 members.
- The project aims to organise peoples' cooperatives, provide skill-centred and awareness-raising training and bring its target groups into income-generating activities through access to credit.

- Since credit only became available in the second phase of the programme, groups have only received such assistance once and the relatively small amount of Tk 1000.
- Very few women have been able to use the money themselves and most have passed it on to male family members for income-generating purposes.
- Less than half the households used credit money for productive purposes. The rest felt that the amount was too small for this and used it for consumption.
- Members in some communities indicated that they have no work to do in the agricultural slack season and that employment creation would therefore be more beneficial than credit.
- Both skills and awareness building training have been provided, but group leaders have been the main participants.
- Adult literacy training is actively pursued and well-delivered.
- Members have gained from training on health related issues and sanitation practices have improved.
- Clients see BDS more as a direct provider of services than as a facilitator of access to those provided by government.
- Although female members do not feel that they can influence fundamental practices such as dowry, they say that participation in the programme has made them more confident and that their husbands treat them with more respect.
- There are 31 NGOs operating in this area and overlapping of membership and services is a problem.
- BDS staff take active measures to cooperate with other NGOs in the area.
- BDS staff also cooperate actively with local government initiatives and also invite officials to visit their programme activities.

The Christian Commission for Development in Bangladesh

- CCDB began its work during the Independence struggle with relief and rehabilitation activities.
- It is now a big NGO and its programmes reach about 64,000 direct beneficiaries, of whom 80 per cent are women.
- Between 1973 and 1978, its programmes concentrated on introducing technological improvements through cooperatives. Major increases in food production were achieved, but the rural elite took over the benefits and many marginal farmers were made landless.
- After this experience, CCDB concentrated on group formation for capacity building, access to savings and credit schemes, educational, health and other benefits.
- In the early 1980s, the emphasis moved rapidly from male to female members.
- In 1992, CCDB began its current PPRDP as its core activity. The ultimate aim of this programme is to help people develop organisations which will enable them to take

charge of their own development initiatives. Although it is a comprehensive package, 80 per cent of its funds are used on credit activities.

- Member groups are served by village level committees, which are represented on union level federations.
- Under PPRDP, CCDB reversed its previous credit management practice and gave financial management to its own community organisers. It found that the previous system of group managed funds allowed financial irregularities.
- CCDB has also moved from a seasonal loan system to one which requires weekly repayments, bringing it into line with other NGOs offering credit in its operating areas.
- Members have received loans regularly from CCDB under the current and previous programmes. Most of the credit has been invested by male household members in agriculture.
- Tribal people have not taken much advantage of the credit programme.
- Overlapping membership of NGOs in the area studied has given CCDB problems in loan recovery.
- Much training has been given, both in institutional and skills training areas. However, this is given to selected ‘cadres’ of group members and dissemination has been very limited.
- The same holds true for women’s empowerment training.
- CCDB has a substantial impact in the area on health and sanitation practices, except among the tribal community.
- Women feel that they have gained improved status in the household and that they are more aware of their importance in political processes, notably exercising their right to vote.
- The area studied is poor in resources and members feel that CCDB’s economic assistance enables them to survive, rather than promoting any upward mobility.
- Although many NGOs are active in the area studied, there is no formal coordination mechanism between them and overlapping membership is a problem.
- NGOs do attend the monthly development meetings organised by local government and CCDB cooperates actively with government programmes.

Nijera Kori

- Nijera Kori is an activist NGO which aims to address the circumstances which cause the poverty and destitution of rural people, by making people conscious of their rights and assisting them to develop the collective strength necessary to establish those rights.
- It is a medium-sized NGO with 102,469 members, of whom about half are female.
- Its main current activity is a rural development programme which operates in 17 districts and is supported by ICCO.

- This programme concentrates on organisational development, empowerment, awareness building and socio-economic development through a savings programme. Funds generated through members' savings are utilised by individuals or groups for income-generating activities. There is no credit component using external funding.
- The scope of the self-generated credit scheme is limited, since funds are small.
- NK provides legal aid to members, particularly in such areas as land acquisition and retention by the poor and challenging the oppression of women.
- One or two members of each group receive training, which focuses on consciousness raising and passes through several distinct levels.
- Trained members make serious efforts to disseminate what they have learned.
- NK encourages its groups to form networks among themselves.
- Groups are also federated through village and union level committees.
- Members meet and save regularly. At meetings, members discuss pressing social issues and what measures they can take to tackle them.
- NK groups have taken combined action on social issues and established a reputation as a powerful force in the area.
- Women members have gained confidence through participating in group activities.
- Other members have taken joint actions which have led to tangible gains such as improved payment for manual labour on government projects.
- Although there is no institutionalised cooperation between the many NGOs working in the area studied, they cooperate on specific issues.

Rangpur Dinajpur Rural Service

- RDRS began operating in 1972 in the fields of relief and rehabilitation.
- It then operated sectoral development programmes, before moving towards its current integrated development approach.
- It is a big NGO with 212,415 members, 58 per cent of whom are females.
- It is distinctive from other big NGOs, since it operates in one geographical region, within which it is present in every thana and union.
- Its aim is to achieve sustainable increases in the living standards of the rural poor, to protect the environment, develop community infrastructure and enhance disaster preparedness.
- These aims are largely pursued through one set of activities, known as the Comprehensive Programme.
- Until recently, RDRS was restricted by a limited financial base, but it has recently added several new funding partners, including ICCO in 1992.
- Members form groups, which meet regularly and receive training on group management, the value of saving and awareness raising. A variety of training courses is available to members, including many skill-centred programmes.

- Credit is a relatively recent component of RDRS programmes and not all groups have received regular loans for all members.
- Groups are encouraged to form federations up to union level and these are intended to continue with the organising and animating role after RDRS workers are no longer regularly supervising the groups (phased out groups).
- In the area studied, phased out groups experienced a high drop out rate and met irregularly, while those managed by NGO staff performed rather better.
- Members have improved their health awareness through participation in groups and some have adopted kitchen gardening as a valuable addition to the household diet.
- Group members did not generally see opportunities to challenge practices which are harmful to women, and broader social empowerment was also at a low level, except for increased participation in voting.
- The executive committees of the two union level federations studied meet regularly and process credit and training applications of primary groups. They also have income-generating projects which assist members. Both have leased roadside land from government and group members plant trees on these and maintain them. This has created work opportunities for destitute women.
- Whilst the executive committees meet regularly, the general committees of the federations rarely do so and members of these bodies expressed little enthusiasm for the activities promoted by their executive bodies. The latter are prone to internal disputes, often related to the substantial amounts of funds which are under their control. These disputes have given rise to apathy towards the federations among ordinary group members.
- The concept of phasing out of federated groups to manage their own affairs appears over-optimistic and RDRS itself is now revising concepts and practices to provide more training and support for these bodies.
- Women members tend to use some of the credit for themselves for small-scale income-generating activities and to pass the rest on to male household members.
- Credit from RDRS has improved the standard of living of member households and reduced dependence on money lenders. Since the credit scheme is in its early years and the sums available have not been large, it has not yet stimulated major change in the economic status of households.
- The area studied has 19 NGOs operating in it and these have a monthly coordination meeting.
- RDRS staff also have regular contact with local government officials.

Case studies of NGO partners of Novib

Bangladesh Rural Advancement Committee

- BRAC began its operations in 1972 with relief and rehabilitation work.
- It then tried to promote sustainable development, through building the capacity of the rural poor by multi-sectoral village development programmes.
- To avoid appropriation of benefits by the rural elite, it then adopted a target group approach, with a concentration on women.
- Its interventions aim to assist the poor to build their own institutions, through which local leadership and organisational skills can be developed, with the intention of enabling them to function on an independent and sustainable basis.
- BRAC is a big NGO, with 1.6 million members, 92 per cent of whom are female.
- BRAC operates a broad variety of programmes, including the Rural Development Programme (RDP), the Rural Credit Programme (RCP), the Non-Formal Primary Education Programme and human rights and legal education activities.
- The biggest programme is the RDP, which provides credit and savings support, education and technological services, and institution building.
- The credit programme operates as a revolving loan fund and has the support of a range of technical training programmes.
- It is intended that after four years participation in RDP, groups will move into RCP, which is able to sustain itself without BRAC subsidies and effectively operates as a rural bank.
- Most of the groups studied function smoothly and meet regularly, although there were exceptions.
- Members of all groups have regular access to credit.
- BRAC has three types of loan: general, housing and project loans and a member can take all three types, but with a maximum total amount.
- The credit recovery rate is high.
- All group members have attended the Functional Education Programme and most also have received para legal training. Retention of information is high.
- Members do not feel able to change fundamental social practices such as dowry and polygamy, but more marriages are now registered.
- BRAC clients generally feel that the services provided are good and directly help raise income and employment possibilities. The regular supply of substantial amounts of credit is highly valued, as are the technical support services. Members report economic gains in participating.
- About half the credit extended to women is used by male household members.
- Health and hygiene practices have improved as a result of group discussions and training.

- Few examples of collective social empowerment initiatives have been taken by members, but participation in elections is high.
- Many women directly take part in economic activities with BRAC assistance and others report improved status as a result of participating in group and credit activities.
- Although many NGOs operate in the area studied, there is no formal coordination between them. Overlapping membership of NGOs is prevalent.
- BRAC participates in bi-monthly meetings organised by the Deputy Commissioner's office, but the DC feels that more information sharing and cooperation between NGOs and government is needed.
- An Impact Assessment Study of BRAC has shown that improvements to material well being of households occurs after a minimum length of membership of 2.5 years, with a cumulative credit of at least Tk 7500.
- The proportion of households in the sever food deficit category declines substantially with access to regular loans.
- The impact study found little evidence of progress towards self-sustaining village organisations and that members prefer to leave leadership roles to BRAC staff.

The Community Development Association

- CDA is a local NGO operating in the Dinajpur and Thakurgaon districts. It began in 1986, taking over the programme of a Canadian organisation which had worked there since the liberation war.
- It is medium-sized, with 14,032 members, of whom 54 per cent are female. Its programmes under implementation are expected to bring the total to 40,000.
- CDA aims to uplift the social, economic, environmental and cultural condition of underprivileged people in its project areas.
- It is currently implementing six projects: the Integrated Rural Development Programme (IRDP) Phase III, Village and Farm Forestry project, NGO Gardening and Nutrition Surveillance Project, Non-Formal Primary Education Project (under sub contract from BRAC), a separate NFPE with support from Oxfam, and providing technical assistance to another local NGO.
- IRDP Phase III is partly funded by Novib. It has a four stage programme, covering organisation development of groups, awareness raising, economic development and social action.
- Most groups studied meet and save regularly. Their meetings emphasise social as well as economic topics.
- Groups manage their own savings funds and make loans to members from them. Members value this access to their savings, which reduces their need to borrow with interest from third parties.

- They also receive credit from CDA. The NGO has insufficient funds to make loans to all members of a group at once or on a regular basis. Credit recovery is very high.
- CDA provides considerable training, both on institutional skills and for income-generating activities.
- Health, hygiene and nutrition awareness has been raised among members and kitchen gardening has increased.
- Members have increased awareness about their possibilities for social actions and have, on occasions, acted on the basis of legal education received, sometimes with support from CDA's legal aid cell.
- Members do not feel that they can change such deep-rooted practices as dowry, but more marriages are now formally registered, which gives some advantages to wives.
- There are many NGOs operating in the area. The ADAB Chapter is active, but has been unable to solve the problem perceived by smaller NGOs, that BINGOs with more substantial credit funds take over members that they have recruited, trained and organised.

Proshika Manobik Unnayan Kendra

- Proshika: a Centre for Human Development was established in 1976. Since its inception, it has concentrated on organising and mobilising the poor for their empowerment. It has retained a distinctive approach, with a strong ideological component.
- Proshika is a big NGO, with some 773,400 members, of whom half are female.
- Proshika has one umbrella programme, 'Participatory Sustainable Development for Poverty Alleviation, Environmental Protection and Regeneration', which includes activities in the fields of: organisation building of people's groups, development education, employment and income-generating activities, environmental protection and regeneration, universal education, Health education and related infrastructure building. Integrated multi-sectoral women's development, urban poor development, housing for the homeless, disaster preparedness and management, and an Institute for Development Policy Analysis and Advocacy.
- The programme is now in its fifth phase of five years and has a consortium of donors, which is currently chaired by Novib.
- A major aim of the Proshika development process is to create self-reliant organisations of the poor, which can manage themselves after Proshika workers withdraw from a direct role and become advisers and facilitators.
- Groups are federated at village, union and thana level, each of which has a coordinating committee.
- Proshika offers many types of training, including awareness building, institutional and skills for income generation or improved household nutrition.

- Of the primary groups studied, only one out of six meets regularly and meetings which are held concentrate mainly on savings and credit, rather than on broader social issues.
- These groups also do not save regularly. This relates to the fact that the groups manage their own savings, and members expressed a lack of confidence in this system, with reported cases of financial mismanagement. Proshika is aware of this problem, but regards the more widespread system of financial management by NGO field staff as disempowering.
- All groups have received credit in reasonably high amounts, but infrequently. The repayment schedule is geared to the projected income flow from the activity undertaken with the loan. Proshika sees this system as more accessible to the hard core poor than weekly or monthly repayments. Despite this favourable system, half the groups studied were in loan default, although the overall recovery rate of Proshika loans is over 90 per cent.
- Generally, members reported some improvement in their economic position from their association with Proshika and dependence on money lenders has substantially reduced.
- Both institutional and skills training are provided.
- Group members show increased awareness of practices likely to promote health and there have been gains from attending the adult literacy programme.
- Proshika has been innovative in its use of popular theatre to disseminate messages on social issues and promote empowerment. Awareness has been raised, but most members show little expectation of changing such deep-rooted practices as payment of dowry.
- Women in Proshika groups have become more involved in income-generating activities and in household decision making.
- Proshika has emphasised to its members the importance of voting in elections and some members have also stood for local elected offices.
- Village coordination committees play an important role in managing primary groups, particularly in processing credit applications and making recommendations on them to the union coordinating committee (UCC).
- UCCs take initiatives on social issues, as well as processing credit applications.
- Although several other NGOs work in the area studied, there has not yet been a major problem with overlapping membership.
- Relations between NGOs and government in the area are good, but the Thana Nirbahi Officer feels that NGOs are reluctant to share information on their work with government and that this reduces the opportunities for their members to benefit from government services.

Case studies of NGO partners of the Royal Netherlands Embassy

Shakti Foundation

- Shakti Foundation is a Dhaka based NGO which began operating in 1992. It is one of the organisations which has pioneered projects for the socio-economic development of urban slum and squatter women.
- Shakti offers a credit programme run on a Grameen bank model. After its initial period of operation, RNE Dhaka offered funding to extend the programme for another five years, under the name of the Urban Credit Programme. A pre-project support mission provided detailed models for project and financial management.
- The organisation works in and around Dhaka. It is a medium-sized NGO with 11,755 members, all women.
- The main objective of Shakti Foundation is the economic and social empowerment of poor urban women, through organising them into groups, providing them with social awareness training, encouraging the savings habit, offering skills training and credit for self-employment.
- Groups studied meet and save regularly and Shakti project officers have emphasised the need for productive utilisation of loans and the importance of group cohesion and discipline.
- Within one month of membership, clients qualify for a loan. All members have received a loan and some have already benefited three or four times since 1993. Recovery rate is 100 per cent to date.
- Although Shakti emphasises the need for technical training, few members were found who had actually received any. However, those who had, found it directly useful for income generation, particularly in the field of tailoring.
- Members do not greatly value discussions on problems facing urban women, but emphasise the importance of improved economic status, which promotes their position in the household and/or their independence from men.
- Shakti centres were found to be well-managed and disciplined and members were well-informed concerning their savings and credit status.
- So far, Shakti has experienced little problem with overlapping membership with other NGOs.

Sheba

- Sheba is a Dhaka-based NGO, which began working with middle class urban women in 1991 and commenced a programme in urban slum areas in 1994.
- It is a small NGO with 1040 members, all female.

- In February 1994, Sheba received a one-off grant from the RNE for its programme.
- The programme aims to effect socio-economic development of under-privileged slum dwelling women, through group organisation, developing their capabilities through motivation and training, and bringing them into income-generating activities with the assistance of savings and credit schemes.
- The programme is based on the Grameen Bank model. After formation, groups receive training on organisational discipline, leadership, savings and the proper utilisation of credit.
- Groups which have made satisfactory progress are eligible for credit after three months.
- Groups meet regularly, but attendance is reduced by the need of women to pursue their self-employment activities.
- Groups save regularly and have already received credit once or twice. To date, loan recovery is 100 per cent. In at least half the cases, women have used the loan directly, since they find many opportunities for trading and small-scale production in the slum areas.
- Credit has been provided in sufficiently large amounts to enable income-generating activities and members report rapid profits and reinvestment though use of their loans.
- Sheba offers both human resource development and skills training. Training on organisational matters is provided directly to groups and has been effective. Skills training is held at a project office and few group members have been able to travel to attend course there.
- Relatively few NGOs are working in Sheba's operational areas, but some are beginning to do so, with a resultant rise in issues of overlapping.
- Based on its successful experience to date, Sheba has designed a pilot programme for community housing in slum areas.

UBINIG

- UBINIG (Policy Research for Development Alternatives) is not an NGO, but a non-profit Private Limited Company, which undertakes research, consultancy and development projects.
- It does not organise member groups in the same way as the NGOs studied, but it is a small-scale organisation.
- Since the late 1980s, UBINIG has been acquiring experience and identifying the constraints and opportunities of the weaving sector, particularly in the Tangail region. It designed a development project which aims to revitalise the weaving industry and particular to support marginal and disadvantaged weavers. UBINIG believes that the regular supply of quality inputs, access to markets and improved designs can help save the industry and rehabilitate the weavers in their own craft.

- Another aim of its activities is to more equally integrate women into a modernised, semi-automatic production system and to improve upon their traditional status as pre-weaving stage workers for little or no pay.
- UBINIG drew up an Integrated Pilot Scheme for Small Weavers Development Project, which was granted about Dfl. 250,000 by DGIS for the period 1991–3.
- As well as activities directly related to the improvement of weaving, this project comprised social support services, including an informal literacy programme, a day care centre for children and health care provision.
- In June 1994, at the end of the funding support period an evaluation was undertaken and presented to RNE in Dhaka. The study concluded that the project had not met its quantitative targets, but had enabled much new ground to be broken, notably with regard to improvements in the inclusion of women in technological processes, but that inadequate institutional arrangements had hindered attainment of quantitative targets.
- The evaluation recommended extension of the project time frame so that original targets could be met and in order to define strategies for expansion and replication under an anticipated second phase.
- UBINIG broadly accepted the evaluation and was granted a project extension until march 1995, with additional funding from RNE. During this period most of the original numerical targets were met.
- In June 1995, UBINIG submitted a proposal for a second phase. This was not regarded as sufficiently explicit by RNE and six months of negotiations and discussions followed. UBINIG felt that RNE was trying to move the project too quickly towards commercial viability, whilst the Embassy felt that UBINIG had made too little provision to ensure the sustainability of the weaving enterprises receiving support.
- Finally, RNE offered the option of an independent assessment of the most effective approach, to blend the two viewpoints, but UBINIG felt that this was an attempt to impose unacceptable conditionality on the project.
- No agreement could be reached and the option of a second phase of funding through RNE was accepted as impossible by both parties.
- The IOB evaluation studied the current situation of eight groups. It found that only two groups remain active, but UBINIG management has indicated that four are still operational. Much of the investment in factories, machinery and equipment had been unproductive, since these facilities have in many cases already deteriorated.

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