

A B S T R A C T

This paper studied microcredit programs of the directorate of Social Service (DSS) and Directorate of Youth Development (DYD), the two major microcredit service provider in public sector in Bangladesh and compared them with NGOs programs specially with BRAC and Grameen Bank microcredit programs. This paper also presented a brief overview on PKSF, an apex funding organization, and its hardcore poor program. In this study, we found that DSS and DYD implemented MCPs have lot of problems in operational stage. It was seemed to us that the programs were not duly implemented and the outcomes that usually claimed are not supported by the field data. By and large their programs fail to reach the poor. Almost 40% and 34% of sample borrowers of DYD and DSS respectively were out of target group. Another very important weakness is lack of monitoring of the programs and effective accountability of the officials concern. On the other hand, NGOs are doing better in this sector because of their intensive monitoring, doorstep service, continuation of flow of microcredit, providing relevant training to the borrowers and the effective role of accountability of the authority concern. NGOs became able to prove microcredit as an effective tool to fight poverty. So, to accelerate the rate of poverty alleviation and to achieve the MDG-1, government should rethink and redesign its poverty alleviation and microcredit program. It was found that due to poor performance and absence of effective accountability compare to the NGOs and PKSF, the government departments MCPs are not efficient as NGOs programs. So, it will be better if government gradually withdraw from its direct credit lending programs for the poor and leave it for the NGOs for efficient implementation as well as better and quick result. government should concentrate mainly on regulatory functions and facilitate the MFIs for the betterment and to protect the interest of the primary stakeholders, and give more emphasis on promotional activities and infrastructure development as to create wide opportunity to access to the market especially for the poor.