



# Challenging the Frontiers of Poverty Reduction

Targeting the Ultra Poor  
Targeting Social Constraints



Volume 2

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## Executive Summary of Appraisal Mission's Report

### 1. Project and Appraisal Approach

- 1) BRAC and the donors have been discussing a new proposal since December 1999 that would focus on the ultra poor. The current proposal submitted in June, was preceded by a concept paper in January 2000, and a pre-proposal in March 2000. A team of consultants contracted for the donor consortium by DFID and CIDA carried out an appraisal from 20 August to 24 September 2000.
- 2) The overall goal of the proposed US\$ 60.1 million five year Project is to reduce rural poverty in Bangladesh through economic and social advancement of the poor, especially the ultra poor. The proposed overall purpose is to enable the ultra poor women participating in the programme to overcome poverty in a sustainable manner. Six outputs are expected:
  - a) Poverty reduction of the ultra poor women through a special investment programme;
  - b) Employment generated and enterprise skills improved for targeted women, the majority from the ultra poor group;
  - c) Community based organisations strengthened;
  - d) Poor are able to contribute to civil society;
  - e) Pro-poor policies are advocated;
  - f) Health conditions of the poor improved in a sustainable manner.
- 3) The proposed Project is seen to be within the framework of BRAC's poverty eradication approach that provides support in micro-finance, skills training, empowerment, basic education and basic health. However the appraisal team reviewed the proposal more specifically in terms of its purpose: to enable the ultra poor women who participate in the Project to overcome poverty in a sustainable manner. The proposal identifies four components for support to the ultra poor, which the appraisal team examined in detail:
  - a) Special investment programme or asset transfer to the ultra poor;
  - b) Employment and enterprise development training,
  - c) Social and institutional development, and
  - d) Essential health care services.
- 4) The team also reviewed BRAC's organisational capacity and financial readiness to be able to implement the proposal and sustain it in the future. A further aspect examined was the environmental effects of such a project and the likelihood of BRAC to mitigate any potential negative impacts.

### 2. General Appraisal Conclusions

- 5) An immediate and increasing concern for the appraisal team was that upon examining the LFA for the overall Project and the component LFAs, was the lack of clear linkage between some components with the Project purpose of assisting the ultra poor. While the first two components for the special investment and training targeted the ultra poor, the social development and essential health care components were geared more to the VO members and the larger community respectively.
- 6) Another issue was that BRAC has become a highly successful service delivery NGO. This has meant that its success is in providing support to the moderate poor for microfinance, skills training and basic health and education services, which has been achieved by being very task oriented with a delivery focus on the individual member. This is inconsistent with the need for a more participatory and qualitative approach in order to reach the ultra poor. This led to a further concern that the staff skills needed to be reorientated and that the number of staff working with the ultra poor and social

development would need to be increased in order to implement the Project successfully. A more gradual start during the first three years was also recommended to allow BRAC and its staff understand the needs of the ultra poor more comprehensively and refine approaches to address their needs.

- 7) Along with other issues related to planning detail, it became necessary for the appraisal team to recommend that BRAC carry out a major review of its strategy and delivery approach, and make major revisions to the proposal before it could be considered suitable for funding.

### 3. Project Objectives and Justification

- 8) The stated purpose of the Targeting Ultra Poverty Programme proposal is to enable the ultra poor women who participate in the programme to overcome poverty in a sustainable manner. The appraisal team feel that this objective is entirely justified given that over 25 million poor people fit this category.
- 9) BRAC in collaboration with WFP and GoB have over the past 10 years worked with this target group through their IGVD programme that received support from the donors during the last two phases of RDP. The approach is based on a transfer payment in the form of a food supplement in wheat over an 18 month period, during which the beneficiaries received skill training that allows them to get credit from BRAC for an IGA. The IGVD programme compares well to other VGD programmes, in fact has a comparative advantage since it provides the ultra poor an opportunity to access a network of services if they become a VO member. However it is still unclear to what extent graduation from ultra poverty occurs, since some studies show that only 30% of VGD members reach the targeted income increase of TK 350 per month. While another longitudinal study indicates that two-thirds of the members of a VGD cycle still belong to a VO. BRAC has also piloted several other smaller projects in support of the ultra poor in agro-forestry although it is too early to determine the level of their success. What is evident to the appraisal team is that BRAC has past experience and a strong interest in working with this group and is suited to undertake a new project with a focus on expanding services to the ultra poor.
- 10) However while the first two components of the proposal focus on the ultra poor the latter components expand their focus to include all VO members in the case of social development and all community members for Essential Health Care. What is unclear in the latter two components is how they will include and benefit the ultra poor. The EHC component could respond to the health constraints that afflict the ultra poor but how this component will specifically respond to their health care needs is not identified in the component strategy. A new approach is needed for BRAC to identify the ultra poor and how to best respond; as a result the appraisal team recommends that an asset/vulnerability approach be adopted.

### 4. Proposed Activities and Delivery

- 11) Each of the four component reviews identified a number of concerns about the delivery of the proposed activities. A common concern was related to the staffing in terms of skills as well as numbers. In the case of the Special Investment and Social Development components in particular, and EHC to a lesser extent, the concern was that BRAC staff generally do not appear to have the participatory skills necessary to effectively engage and support the ultra poor and other VO members. These skills are necessary to enable BRAC staff to carry out participatory appraisal with the ultra poor on their needs. In the case of the Social Development component these skills are essential for institution building and social mobilisation. In the case of health, more participatory approaches are needed for the advocacy of health services and health education.



## Annex 1: Executive Summary of Appraisal Mission's Report

- 12) Connected to the lack of skills and experience in participatory methodology is that they do not appear to be institutionalised in the functioning of the organisation's delivery mechanisms. The participatory approach has given way to a more task oriented delivery methodology that may well serve the needs of delivering microfinance and follow up services, but fails to respond to the need for more qualitative analysis and group learning required for the proposed TUP programmes.
- 13) An equally important concern is that the number of PO staff available for carrying out the proposed component activities are too few to effectively achieve the results expected. This applies especially to the Special Investment and Social Development components, but also for the follow up and support activities in the Employment and Enterprise Development and EHC components. Much of this stems from the need to spend more time with ultra poor and VOs in order to better understand and support these target groups.
- 14) It was also found that not enough attention has been given to the planning and co-ordination details in order to effectively delivery the activities. This especially applies to the training and follow up support for the second component, but is also evident in the underestimation of staffing requirements for the first and third components, and to some extent the EHC as well. An overlap in co-ordination responsibilities between the regional and area levels. In the case of component two for training and follow-up supervision, greater expansion was seen at the regional level rather than at the AOs.
- 15) For the first two components insufficient attention has been given to improving the qualitative support for the ultra poor women, when it is widely acknowledged that their needs are more specific and will require more refined attention. A similar concern was expressed in relation to the work that needs to be done for the social development component. This has led to the appraisal team recommending that BRAC carry out a review of its vision in relation to its social development objectives. This would assist to clarify its orientation and approach in relation to the Project and the component goals and purpose.
- 16) No major environmental impacts were identified of concern. It was found that BRAC has been developing a good environmental awareness and environmental assessment approach, but will need to make this approach more systemic.
- 17) These concerns expressed are seen to be the major obstacles for achieving the project objectives. At the same time the appraisal team does not want to give the impression that these concerns are insurmountable, but will take a considerable reorientation in approach if the Project is to succeed.
- 18) There is a strong sense within the appraisal team that BRAC does have many of the ingredients to make the Project work. Economic analysis indicates that the enterprises proposed by BRAC show a reasonable rate of return even with a 50% failure rate. The training is of a high quality and the basic strategy for follow up support is sound even though the implementation needs to be reconsidered. The EHC component was generally found to be an innovative approach to providing basic health care to the doorstep of the poor at very low cost. Above all the team is impressed by the motivation and hard work of BRAC staff especially at the AO level, which is essential for the Project to succeed. BRAC's resourcefulness and commitment to find new ways to provide essential services to the poor is an another major asset for implementing the Project.

## 5. BRAC's Capacity

### Management

- 19) BRAC's expansion effort during RDP IV have been successful in achieving financial sustainability for its credit programme and is reaching almost 1 million more rural poor women than planned. The fact that this expansion has been achieved with little or no deterioration in the quality of their credit programme, is a major achievement and a positive comment on BRAC's management capacity in service delivery.
- 20) A further point related to the success of the credit programme is that BRAC's delivery is towards the individual even though via a VO group. However the group work is more a function of being a collection point for the credit maintenance aspects of BRAC's programme, that includes peer group pressure to ensure that loans are repaid. This would suggest that efforts to strengthen the sense of social development within a VO could be seriously challenged, if the main purpose of the VO is related to an assertive micro-finance programme.
- 21) There is recognition amongst most managers at the Head Office that expansion has made BRAC's organisational culture too target orientated, and there is a need to place greater emphasis on quality and impact. RDP IV expansion required that programme activities had to be more structured and procedures carefully followed, but there has been a trade off in the stifling of creative and qualitative aspects of programming.
- 22) BRAC now sees the need for a refocus and reorientation of its management style that would give attention to the following areas:
  - a) Assign qualitative targets equal emphasis as the quantitative targets;
  - b) Encourage a more participatory decision making within the organisation, as well as with VO members on programme related activities;
  - c) Seek out what constitutes leadership for social transformation;
  - d) Address changing needs in society through policy advocacy based on programme experience and enhancing the voices of stakeholders.
- 23) The TUP initiative could provide BRAC an opportunity to help refocus the organisation, although only with much refinement to the proposal with reference to the Appraisal recommendations and a more gradual inception period. Also critical to enhancing the organisational reorientation, as well as the successful implementation of TUP in its refined form, is that expansion must be kept within reasonable levels. It is the recommendation of the appraisal team that to facilitate the refocus on new more qualitative programming in ultra-poverty and social development, BRAC should commit itself to a 7% membership growth rate.
- 24) Further in light of the increase in delinquency loans particularly amongst the VGD group, it is recommended that the next Shorebank financial review in March 2001 look at the overall implications for BRAC's credit programme when the majority of new membership during 2001-2005 will be coming from the ultra-poor.
- 25) The Institutional Review noted that overall the planning and management procedures during RDP IV have slowly become more decentralised, with increasing responsibility being delegated to the Area and Regional levels. The procedures and staff tasks are carefully focused to enable this to happen, at the same time with frequent consultation between the different operational levels.

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- 26) Most of the RDP IV LFA planned initiatives related to improved management capacity have been completed or in process. These include annual review of the strategic plan and organisational structure, improved staff appraisal, computerisation of RDP data and the increased employment of women (presently at 30% overall). However despite these positive changes it was evident that the sharing of ideas appears to be from the HO to the field. BRAC is still a very centralised organisation.
- 27) BRAC has a fairly elaborate monitoring system through which monthly data is collected at the field level and reviewed at the area, regional and HO levels on a regular basis. However the system gathers primarily physical data related to inputs delivery, trainings carried out and credit maintenance. More qualitative data will be needed for TUP that will provided information on productive parameters, enterprise success rates, as well as social indicators such as the changing factors affecting household livelihood. While it has been proposed that RED would establish a more qualitative system during the first 6 months of implementation, the appraisal team feels this needs to start at once.
- 28) One observation made by several of the Appraisal team was the somewhat conflicting array of data provided by the MIS process that has been established. This is worrisome in relation to TUP, since the information and monitoring systems need to be able to be accurate and refined. It is recommended that local or international technical assistance be contracted to help improve the data collection process in order to more effectively utilise the potential of that will exist with the installation of computers in field offices.

### Staffing

- 29) Seventy-eight percent of BRAC's staff are with the micro-finance section, with the remaining 22 percent with Programs. The vast majority of staff are at the AO level 98% for MF and 89% for Programs, and 0.7% and 10% respectively at RO. While almost 80% of the staff are allocated to MF and less than 3% are for social development. Within the Programs section there are several layers of specialist support, given the variety of enterprise and social activities that need to be sustained. However it is the appraisal teams impression that there is a potential problem with "co-ordination overlap" and as noted coverage at the VO and household level too lean. The appraisal team also feels that the POs should not be service fee collectors because it detracts from the more important extension mandate.
- 30) A major concern of the Appraisal Team is that the kind of staffing ratios to either VOs or ultra-poor household. As noted in the review of the Social Development component is the great difference in ratio for the staff to VO member between MF, Enterprise Programs and Social Development, changes from 289:1, 853:1 and 7,931:1 respectively. Even when the increases in staff within the TUP proposal are included, the ratios are still too high for Social Development.
- 31) A further point to consider regarding staffing for TUP is the recognition by management staff at all levels, that frontline AO staff have been over stretched due to the rapid expansion of VO members. While they have remained very task orientated this has left little time to consider the qualitative aspects of outputs of their work.

### External Relations

- 32) There is growing evidence of BRAC working closely with GoB in joint education, health, VGD programmes as well as flood relief. BRAC works in support of the NGO community and more often than not will collaborate with NGO supported coalitions in issues that it has experience.

- 33) Like many of the large NGOs in Bangladesh, BRAC's expansion has been highly dependent on funding support from external donors. BRAC has managed with donor assistance to achieve financial sustainability for its micro-finance programme. Programming in social services such as health and education, along with social development, remain very dependent on donor grants. A DFID study notes that support to NGOs for these activities are likely to be required over the long term, since there is little likelihood of developing a revenue base from user fees or receiving an increase in funds for education and health from public revenue in the immediate future.

#### Governance

- 34) As already noted BRAC's organisational structure and procedures are going through adjustments that show increased decentralisation and a build up of middle management both at the Head Office and field levels. There is a definite effort to expand decision-making amongst a core group and prepare BRAC's future leaders through meetings such as the Executive Director's Forum or Think Meetings. More recently a new Executive Director designate has been appointed, who has had a successful career as a senior manager in a variety of positions with the Government of Bangladesh.
- 35) There is a concerted effort in BRAC to strengthen the Board, since it is recognised that BRAC's Board members had limited development experience and therefore less well suited to provide advice on development strategy and policy. With the founder of BRAC ever present as Executive Director this was less of a concern, but with new additions and structures for senior management, there is a need to have a Board that can maintain the accountability of senior management to BRAC stakeholders. It is recognised that the Donor Consortium and the Southshore Bank Advisory Group contributed to this role in the past, but with the transition of Executive Directors as well as reduced funding role of donors, a stronger more executive Board is needed.
- 36) However, there has been mounting criticism of large NGOs especially BRAC, because of the large amount of donor funds that NGOs have received and the perception that these are used more for prestige projects than for the poor. Greater transparency is needed at this stage to provide greater openness about development strategy and accounting for the use of available resources. The appraisal team recommends that BRAC should include as part of its annual report a section on its corporate strategy and how this guides allocation of surpluses to project and commercial enterprise activities

#### 6. Sustainability and Commitment

- 37) The appraisal team found BRAC to be financially very fit. It is evident that BRAC's micro-finance programme has become financially self-sustaining, and its commercial enterprises have begun to produce surpluses that increasingly can cover the cost of training and enterprise support. In its response to donors questions it also expects to be able to cover the cost of its health programme by the end of the TUP programme in 2005, through a combination of service charges and internal fund generation. It is also confident that with a robust micro-finance programme it will be able to absorb those ultra poor participants that are able to graduate to moderate poverty and be maintained within a modest safety net that BRAC provides to its regular VO members. This may be too tall an order, since there are few real examples of sustained success in reducing ultra poverty because of the complex human and economic factors that cause ultra poverty. Nevertheless, the appraisal team feels that BRAC is certainly an organisation that has the motivation and financial standing that has a chance at succeeding.
- 38) Institutionally BRAC has managed to expand its services without affecting quality, and continues to make adjustments to how it manages its resources. As already noted it has decentralised its decision-making, expanded its middle management and also through GQAL improved the working



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environment for its staff. It is also going through a transition of leadership along with strengthening its governance system. BRAC remains a very dynamic organisation, never standing still and looking for new ways to improve how it can succeed in its mission. This suggests that BRAC is well equipped motivationally and technically to carry out TUP. There is however a need for BRAC to take a rigorous look at its ability to develop the learning environment required to implement a project like TUP, that will require to do more qualitative programming.

- 39) The appraisal team realises that despite BRAC's willingness to take on new challenges, the recommended organisational changes go against the present task-oriented culture that has served BRAC so well. The Targeting the Ultra Poor programme opens up many new and exciting opportunities for BRAC in its mission to improve the lives of the poorest sections of society. If the challenge is addressed in a long-term perspective, with the related policy implications in mind, the rewards in the context of poverty eradication in the world, as well as in Bangladesh, are likely to be invaluable.
- 40) However the demands on the institution should not be underestimated, since it will take a continuous staff effort, institutional relearning and management focus to implement this programme. While the appraisal team has a great deal of confidence in BRAC to continue to be innovative and dynamic as a service delivery NGO, it is still uncertain about BRAC's ability to make the change. It is for this reason that the team recommends a focused and gradual start for implementation. The recommended revisions are proposed in this context. They are recommendations that will allow BRAC time for a retooling and also allow all stakeholders to review carefully the progress.

### 7. Summary of Recommendations

- 41) The central focus of TUP is on the ultra poor and the recommendations are closely tied to improve the planning and delivery of support for this group. The team has made special efforts to detail in the recommendations, the revisions seen necessary to achieve the adjustments in the different components. The recommendations for the EHC component are not as lengthy since it is a programme already in operation, but a comprehensive review of approach is needed to find ways to include the ultra poor with the offered basic health services
- 42) The appraisal team met with BRAC senior staff to review project scenarios that appear to have the greatest potential in light of the team's comments on the present TUP proposal. Of central interest to the team was that any project scenario should be focused around the pilot activities working with ultra poor households in 10 to 15 regions. These activities would centre on the asset transfer component with appraisal revisions, and elements of essential health care, social development and pro-poor advocacy in accordance to the required support for the ultra poor target group in these regions. Three possible scenarios were suggested that ranged in budget size from \$27 million to \$42 million.
1. **Revised Asset Transfer with IGVGD:** This package would focus exclusively on activities that involve some form of transfer to the ultra poor, either assets or food. The asset transfer would be focused in 10-15 regions with higher incidences of ultra poverty, along with locations in which the IGVGD takes place. The VGD training would need to be revised in accordance with the appraisal team recommendations. Elements of essential health care, social development and pro-poor advocacy would be integrated into the regions with asset transfer activities. The number of ultra poor participants would be 70,000 for asset transfer and 800,000 VGD card holders. The approximate cost would be \$28 million.

2. **Revised Asset Transfer, IGVDG plus Ultra Poor In Other RDP VOs:** This scenario includes Scenario #1 plus the ultra poor that are to be found in existing or new VOs over the 2001- 2005 period. This would include 475,000 ultra poor women who would receive training and credit through normal channels but receive extra follow-up support, developed from lessons learned from the asset transfer areas. The selection criteria, training and follow up activities would need to be revised in relation to appraisal team comments. The approximate cost would be an additional \$5 million for a total \$33 million.
3. **Revised Asset Transfer, IGVDG, other Ultra Poor plus EHC:** This includes Scenario #2 plus the EHC programme component for all RDP areas. The EHC component would be revised and refined to be responsive to the ultra poor in the areas they serve. The added cost would be \$9 million for a total of \$42 million.

## CHALLENGING THE FRONTIERS OF POVERTY REDUCTION

SUMMARY BUDGET  
YEAR 2001 – YEAR 2005

	2002 Taka	2003 Taka	2004 Taka	2005 Taka	2006 Taka	TOTAL Taka	TOTAL US \$	% of total	
<b>I. PROJECT COST</b>									
<b>A. Targeting the Ultra Poor</b>									
1. Special Investment (Asset Transfer)	73,982,475	86,847,674	163,094,198	384,210,912	412,237,908	1,120,373,166	18,391,354	35%	
2. Enterprise Development and Training									
2.1 Training to Specially Targeted Ultra Poor	3,069,402	5,148,102	8,925,775	22,154,279	30,096,293	69,395,850	1,133,884	2%	
2.2 Training to IGVGD Ultra Poor	85,293,424	91,037,407	94,036,000	98,737,799	103,674,689	472,779,319	7,942,720	15%	
2.3 Training to BDP Ultra Poor	4,633,314	11,334,317	26,784,757	72,630,242	104,005,716	219,388,346	3,567,148	7%	
3. Social Development Programme for Specially Targeted Ultra Poor	8,257,725	13,979,149	13,986,935	24,651,415	30,882,159	91,757,383	1,518,073	3%	
4. Essential Health Care Services for Specially Targeted Ultra Poor	1,685,250	3,539,025	5,573,964	13,656,213	20,484,319	44,938,771	733,442	1%	
<b>Sub total of Targeting the Ultra Poor</b>	<b>176,921,590</b>	<b>211,885,674</b>	<b>312,401,628</b>	<b>616,040,860</b>	<b>701,383,085</b>	<b>2,018,632,836</b>	<b>33,286,622</b>	<b>63%</b>	
<b>B. Targeting Social Constraints</b>									
1. Social Development Programme	94,500,956	103,514,712	106,893,773	115,047,739	121,045,938	541,003,118	9,082,032	17%	
2. Essential Health Care (EHC) for VO members & Community	100,252,152	106,114,126	112,311,666	118,863,676	115,138,261	552,679,880	9,289,627	17%	
<b>C. Research and Evaluation</b>	<b>6,923,569</b>	<b>6,172,649</b>	<b>6,481,282</b>	<b>5,098,319</b>	<b>5,625,360</b>	<b>30,302,179</b>	<b>512,329</b>	<b>1%</b>	
<b>D. Contingency</b>	<b>7,571,965</b>	<b>8,553,743</b>	<b>10,761,767</b>	<b>17,101,012</b>	<b>18,863,673</b>	<b>62,852,360</b>	<b>1,043,412</b>	<b>2%</b>	
<b>TOTAL PROJECT COST</b>	<b>IN TAKA</b>	<b>386,170,231</b>	<b>436,240,904</b>	<b>548,850,116</b>	<b>672,151,606</b>	<b>962,057,517</b>	<b>3,205,470,373</b>	<b>53,214,023</b>	<b>100%</b>
<b>TOTAL PROJECT COST</b>	<b>IN US \$</b>	<b>6,895,897</b>	<b>7,563,122</b>	<b>9,238,346</b>	<b>14,253,172</b>	<b>15,263,486</b>	<b>53,214,023</b>	<b>53,214,023</b>	

**Annex 2: Summary and Detailed Budget**

		2002 Taka	2003 Taka	2004 Taka	2005 Taka	2006 Taka	TOTAL Taka	TOTAL US \$	% of total
<b>E. Technical Assistance managed by BRAC</b>									
Pool funded by CIDA, DFID and NOVIB	IN TAKA	12,208,000	6,806,240	2,604,152	2,300,744	819,390	24,938,526		
	IN US \$	218,000	118,000	47,200	37,600	13,000	433,800		
<b>II. PROJECT FINANCING</b>									
<b>A. BRAC Contribution</b>	IN TAKA	30,000,000	45,000,000	60,000,000	70,000,000	76,000,000	281,000,000	4,675,565	9%
	IN US \$	535,714	780,166	1,009,931	1,143,978	1,205,775	4,675,565		
Requirement from Donors for the Project	IN TAKA	356,170,231	391,240,904	488,850,116	802,151,606	886,057,517	2,924,470,373	48,538,459	91%
	IN US \$	6,360,183	6,782,956	8,228,415	13,109,194	14,057,711	48,538,459		
<b>B. GOB/WFP Contribution for VGD Programme</b>	IN TAKA	42,125,000	-	-	-	-	42,125,000		
	IN US \$	752,232	-	-	-	-	752,232	752,232	1%
<b>C. Net Requirement from Donors</b>	IN TAKA	314,045,231	391,240,904	488,850,116	802,151,606	886,057,517	2,882,345,373	47,786,227	90%
	IN US \$	5,607,951	6,782,956	8,228,415	13,109,194	14,057,711	47,786,227		
<b>D. Net Requirement from Donors for TA</b>	IN US \$	218,000	118,000	47,200	37,600	13,000	433,800		
<b>Total Requirement from donors (including TA )</b>		<b>5,825,951</b>	<b>6,900,956</b>	<b>8,275,615</b>	<b>13,146,794</b>	<b>14,070,711</b>	<b>48,220,027</b>		

Exchange rate US \$ 1 = Taka 56 ( Estimated 3% devaluation of Taka per Year )



## CHALLENGING THE FRONTIERS OF POVERTY REDUCTION, (Targeting the Ultra Poor- Targeting Social Constraints)

DETAILED BUDGET  
YEAR 2002- YEAR 2006

	Notes to Budget	Unit cost	Nos						Amount in Taka						
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total	
<b>A. Targeting the Ultra Poor</b>															
<b>1. Special Investment (Asset) Transfer to Specially Targeted Ultra Poor)</b>															
1.1 Grants for capital investment Tk. 6000 per enterprise	1	6,000	5,000	5,000	10,500	25,500	26,000	72,000	30,000,000	30,000,000	63,000,000	153,000,000	156,000,000	432,000,000	
1.2 Subsistence grants Tk. 4320 per member	2	4,320	5,000	5,000	10,500	25,500	26,000	72,000	21,600,000	21,600,000	45,360,000	110,160,000	112,320,000	311,040,000	
1.3 Salaries and benefits of Regional Sector Specialist (RSS) Tk. 10000 per month	3	10,000	5	10	15	15	15	15	600,000	1,200,000	1,800,000	1,800,000	1,800,000	7,200,000	
1.4 Salaries and benefits of POs Tk. 8000 per month	4	8,000	100	150	150	219	229	229	9,600,000	14,400,000	14,400,000	21,024,000	21,984,000	81,408,000	
1.5 Salaries and benefits of Monitor Tk. 8000 per month	5	8,000	5	10	15	15	15	30	480,000	960,000	1,440,000	1,440,000	1,440,000	5,760,000	
1.6 Office rent and utilities Tk. 500 per months per person	6	500	110	170	180	249	259	259	660,000	1,020,000	1,080,000	1,494,000	1,554,000	5,808,000	
1.7 Travelling and transportation expenses (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	105	160	165	234	244	244	1,890,000	2,880,000	2,970,000	4,212,000	4,392,000	16,344,000	
1.8 Staff training and development 10% of salary	16								1,020,000	1,560,000	1,620,000	2,282,400	2,378,400	8,860,800	
1.9 Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								4,609,500	5,153,400	8,216,900	20,678,868	21,130,788	80,789,456	
<b>Total</b>									70,459,500	78,773,400	140,886,900	316,091,268	322,996,188	928,210,256	
<b>Inflation adjusted cost</b>	38								73,982,475	86,847,674	183,094,198	384,210,912	412,237,908	1,120,373,166	

## Annex 2: Summary and Detailed Budget

	Notes to Budget	Unit cost	Nos						Amount in Taka						
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total	
<b>2. Enterprise Development and Training</b>															
<b>2.1 . Training to Specially Targeted Ultra Poor</b>															
2.1.1 Salaries and benefits of trainers (1 trainer for 250 trainees)	9	5,000	20	40	60	140	200	200	1,200,000	2,400,000	3,600,000	8,400,000	12,000,000	27,600,000	
2.1.2 Trainers training and development 10% of salary	10								120,000	240,000	360,000	840,000	1,200,000	2,760,000	
2.1.3 Accommodation and Utilities for Trainers Tk. 500 per month	11	500	20	40	60	140	200	200	120,000	240,000	360,000	840,000	1,200,000	1,200,000	
2.1.4 Food for trainees Tk. 20 per person per day for 4 days (3 days basic and 1 day refreshers)	12	80	5,000	5,000	10,500	25,500	26,000	72,000	400,000	400,000	840,000	2,040,000	2,080,000	5,760,000	
2.1.5 Training materials cost Tk. 20 per person per course		20	5,000	5,000	10,500	25,500	26,000	72,000	100,000	100,000	210,000	510,000	520,000	1,440,000	
2.1.6 Training allowance(subsidy against wages) Tk. 30 per person per day for 4 days	13	120	5,000	5,000	10,500	25,500	26,000	72,000	600,000	600,000	1,280,000	3,060,000	3,120,000	8,640,000	
2.1.7 Salaries and benefits of Monitor (Training follow up and monitoring) Tk 8000 per month	14	8,000	2	4	6	14	20	20	192,000	384,000	576,000	1,344,000	1,920,000	4,416,000	
2.1.8 Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								191,240	305,480	504,420	1,192,380	1,542,800	3,736,320	
<b>Total</b>									<b>2,923,240</b>	<b>4,669,480</b>	<b>7,710,420</b>	<b>18,226,380</b>	<b>23,582,800</b>	<b>57,112,320</b>	
<b>Inflation adjusted cost</b>	48								<b>3,069,402</b>	<b>5,148,102</b>	<b>8,925,775</b>	<b>22,154,279</b>	<b>30,098,293</b>	<b>69,395,850</b>	

	Notes to Budget	Unit cost	Nos						Amount in Taka						
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total	
<b>2.2 Training to IGVGD Ultra Poor</b>															
2.2.1 Salaries and benefits of Regional Sector Specialist (RSS) Tk. 10000 per month	3	10,000	20	20	20	20	20	20	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	12,000,000	
2.2.2 Salaries and benefits of Area Coordinator (25% time) Tk. 8000 per month	14	2,000	209	209	209	209	209	209	5,016,000	5,016,000	5,016,000	5,016,000	5,016,000	25,080,000	
2.2.3 Salaries and benefits of Senior Trainer Tk. 8000 per month	15	8,000	50	50	50	50	50	50	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	24,000,000	
2.2.4 Salaries and benefits of Trainers (1 trainer for 250 trainees)	9	5,000	800	800	800	800	800	800	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	240,000,000	
2.2.5 Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month		1,500	70	70	70	70	70	70	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	6,300,000	
2.2.6 Staff training and development 10% of salary	16								6,021,600	6,021,600	6,021,600	6,021,600	6,021,600	30,108,000	
2.2.7 Accommodation and utilities for Trainers Tk. 500 per month	11	500	870	1,079	870	870	870	870	5,220,000	6,474,000	5,220,000	5,220,000	5,220,000	27,354,000	
2.2.8 Training materials cost Tk. 20 per person per course		20	160,000	160,000	160,000	160,000	160,000	600,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	16,000,000	
2.2.9 Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								5,314,232	5,402,012	5,314,232	5,314,232	5,314,232	26,658,940	
<b>Total</b>									<b>81,231,832</b>	<b>82,573,612</b>	<b>81,231,832</b>	<b>81,231,832</b>	<b>81,231,832</b>	<b>407,500,940</b>	
<b>Inflation adjusted cost</b>	48								<b>85,293,424</b>	<b>91,037,407</b>	<b>94,036,000</b>	<b>98,737,799</b>	<b>103,674,689</b>	<b>472,779,319</b>	

## Annex 2: Summary and Detailed Budget

	Notes to Budget	Unit cost	Nos						Amount in Taka						
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total	
<b>2.3 Training to BDP Ultra Poor</b>															
2.3.1 Salaries and benefits of Regional Sector Specialist (RSS) Tk. 10000 per month	3	10,000	5	8	10	15	20	20	600,000	960,000	1,200,000	1,800,000	2,400,000	6,960,000	
2.3.2 Salaries and benefits of Area Coordinator (25% time) Tk. 8000 per month	14	2,000	10	25	60	160	200	200	240,000	600,000	1,440,000	3,840,000	4,800,000	10,920,000	
2.3.3 Salaries and benefits of Trainers (1 trainer for 250 trainees)	9	5,000	40	100	240	640	880	880	2,400,000	6,000,000	14,400,000	38,400,000	52,800,000	114,000,000	
2.3.4 Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	5	8	10	15	20	20	90,000	144,000	180,000	270,000	360,000	1,044,000	
2.3.5 Staff training and development 10% of salary	16								324,000	756,000	1,704,000	4,404,000	6,000,000	13,188,000	
2.3.6 Accommodation and utilities for Trainers Tk. 500 per month	11	500	45	108	250	655	900	900	270,000	648,000	1,500,000	3,930,000	5,400,000	11,748,000	
2.3.7 Training materials cost Tk. 20 per person per course		20	10,000	25,000	60,000	160,000	220,000	475,000	200,000	500,000	1,200,000	3,200,000	4,400,000	9,500,000	
2.3.8 Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								288,680	672,560	1,513,680	3,909,080	5,331,200	11,715,200	
<b>Total</b>									4,412,680	10,280,560	23,137,680	59,753,080	81,491,200	179,075,200	
<b>Inflation adjusted cost</b>	48								4,633,314	11,334,317	26,784,757	72,630,242	104,005,716	219,388,346	



	Notes to Budget	Unit cost	Nos						Amount in Taka					
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total
<b>3 Social Development Programme for Specially Targeted Ultra Poor</b>														
3.1 Salary of Regional Sector Specialist Tk.10000 per month	3	10,000	5	8	10	20	25	25	600,000	960,000	1,200,000	2,400,000	3,000,000	8,160,000
3.2 Salary of Programme Organiser Tk.5000 per month	19	5,000	100	150	137	219	229	229	6,000,000	9,000,000	8,220,000	13,140,000	13,740,000	50,100,000
3.3 Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	5	8	10	20	25	25	90,000	144,000	180,000	360,000	450,000	1,224,000
3.4 Confidence building training course Tk. 50 per day per person for 3 days (food and allowance)		150	0	5,000	5,000	10,000	25,000			750,000	750,000	1,500,000	3,750,000	6,750,000
3.5 Staff training and development 10% of Salary	16								660,000	996,000	942,000	1,554,000	1,674,000	5,826,000
3.6 Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								514,500	829,500	790,440	1,326,780	1,582,980	5,044,200
<b>Total</b>									7,864,500	12,679,500	12,082,440	20,280,780	24,196,980	77,104,200
<b>Inflation adjusted cost</b>	48								8,257,725	13,979,149	13,986,935	24,651,415	30,882,159	91,757,383
<b>4. Essential Health Care Services (EHC) for Specially Targeted Ultra Poor</b>														
4.1 Special Health Care Subsidy to Ultra Poor Tk 300 per year per participant	19		5,000	10,000	15,000	35,000	50,000		1,500,000	3,000,000	4,500,000	10,500,000	15,000,000	34,500,000
4.2 Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								105,000	210,000	315,000	735,000	1,050,000	2,415,000
<b>Total</b>									1,605,000	3,210,000	4,815,000	11,235,000	16,050,000	36,915,000
<b>Inflation adjusted cost</b>	48								1,685,250	3,379,025	5,173,964	13,656,213	20,484,319	44,938,771
<b>Total Cost for Targeting the Ultra Poor</b>									176,921,590	211,885,674	212,401,628	616,040,860	701,383,085	2,018,632,636

## Annex 2: Summary and Detailed Budget

	Notes to Budget	Unit cost	Nos						Amount in Taka					
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total
<b>B. Targeting Social Constraints</b>														
<b>1. Social Development Programme for VO members and Community</b>														
<b>1.1. Institution Building Support</b>														
1.1.1 Polli Shomaj Leaders' training 3 days training at Field	20	150	3,000	4,500	6,000	7,500	9,000	30,000	450,000	675,000	900,000	1,125,000	1,350,000	4,500,000
1.1.2 Polli Shomaj Committee Workshop 1 day at Field	21	25	6,000	9,000	12,000	15,000	18,000	60,000	150,000	225,000	300,000	375,000	450,000	1,500,000
1.1.3 Cost of Union Association	22	2,000	-	100	100	150	150	500	-	200,000	200,000	300,000	300,000	1,000,000
1.1.4 Salary of Regional Sector Specialist Tk.10000 per month	3	10,000	25	25	25	25	25	25	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
1.1.5 Salary of Programme Organiser Tk.5000 per month	17	5,000	400	400	400	400	400	400	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	120,000,000
1.1.6 Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	25	25	25	25	25	25	450,000	450,000	450,000	450,000	450,000	2,250,000
1.1.7 Staff training and development 10% of Salary	16								2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	13,500,000
<b>1.2 Human Rights and Legal Services</b>														
1.2.1 Teachers training 30 days training at TARC	23	4,500	400	400	250	250	-	1,300	1,800,000	1,800,000	1,125,000	1,125,000	-	5,850,000
1.2.2 Refresher of Teachers 6 days training (field)	24	120	2,500	2,400	1,500	2,000	1,000	9,400	300,000	288,000	180,000	240,000	120,000	1,128,000
1.2.3 Education materials 1000 per trainees per course	25	500	400	400	250	250	-	1,300	200,000	200,000	125,000	125,000	-	650,000
1.2.4 Legal Awareness workshop for Community Leaders Tk 1000 per workshop	26	1,000	1,000	1,000	1,000	1,000	1,000	5,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
1.2.5 Honorarium of Teachers Tk 10 per learners	27	10	200,000	200,000	200,000	200,000	200,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000

	Notes to Budget	Unit cost	Nos						Amount in Taka					
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total
1.2.6 Legal Aid and other Support Tk. 5000 per region per month	28	5,000	30	40	45	50	50		1,800,000	2,400,000	2,700,000	3,000,000	3,000,000	12,900,000
1.2.7 Rural Drama performance Tk. 1500 per Drama	29	1,500	3,000	3,500	4,000	4,500	5,000	20,000	4,500,000	5,250,000	6,000,000	6,750,000	7,500,000	30,000,000
1.2.8 Salary of Regional Sector Specialist Tk.10000 per month	3	10,000	25	25	25	25	25	25	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
1.2.9 Salary of Programme Organiser Tk.5000 per month	17	5,000	400	400	400	400	400	400	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	120,000,000
1.2.10 Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	25	25	25	25	25	25	450,000	450,000	450,000	450,000	450,000	2,250,000
1.2.11 Staff training and development 10% of Salary	16								2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	13,500,000
1.2.12 New innovative training methodology and expermental project expenses	30								1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	10,000,000
1.2.13 Salaries and benefits of Monitor Tk. 8000 per month	5	8,000	20	20	20	20	20	20	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	9,600,000
1.2.14 Management and Logistics Expenses(7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								5,279,400	5,443,060	5,512,500	5,653,200	5,865,800	27,553,960
<b>Total</b>									<b>80,699,400</b>	<b>83,201,060</b>	<b>84,262,500</b>	<b>86,413,200</b>	<b>86,605,800</b>	<b>421,181,960</b>
<b>Inflation adjusted cost</b>	48								<b>84,734,370</b>	<b>91,729,169</b>	<b>97,544,377</b>	<b>105,035,785</b>	<b>110,533,386</b>	<b>489,577,066</b>

**Annex 2: Summary and Detailed Budget**

	Notes to Budget	Unit cost	Nos						Amount in Taka						
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total	
<b>1.3 Policy Advocacy</b>															
<b>3.1 Seminars and Workshops</b>															
3.1.1 National level	31	100,000	1	1	2	3	3	10	100,000	100,000	200,000	300,000	300,000	1,000,000	
3.1.2 District level	31	45,000	5	5	5	10	10	35	225,000	225,000	225,000	450,000	450,000	1,575,000	
3.1.3 Upazila level	31	30,000	5	20	20	20	20	85	150,000	600,000	600,000	600,000	600,000	2,550,000	
<b>3.2 Publications</b>															
3.2.1 Electronic Media (Radio, Television)	32								-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
3.2.2 Posters/Leaflets	33									1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>3.3 Capacity building (Staff)</b>															
3.3.1 National training 7 days training	34	3,500	50	50	50	-	-	150	175,000	175,000	175,000	-	-	-	525,000
3.3.2 International training	35	847,500	2	3	-	-	-	5	1,695,000	2,542,500	-	-	-	-	4,237,500
<b>3.4 Staff Salary and benefits</b>															
3.4.1 Programme Manager Tk.30,000 per month	36	30,000	1	1	1	1	1	1	360,000	360,000	360,000	360,000	360,000	1,800,000	
3.4.2 Programme support staff Tk.15,000 per month	37	15,000	15	15	15	15	15	15	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	13,500,000	
3.4.3 Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	16	16	16	16	16	16	288,000	288,000	288,000	288,000	288,000	1,440,000	
3.5. Management and logistics expenses(7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8									608,510	699,335	528,360	538,860	538,860	2,913,925
<b>Total</b>										<b>9,301,510</b>	<b>10,689,835</b>	<b>8,076,360</b>	<b>8,236,860</b>	<b>8,236,860</b>	<b>44,541,425</b>
<b>Inflation adjusted cost</b>										<b>9,766,586</b>	<b>11,785,543</b>	<b>9,349,396</b>	<b>10,011,955</b>	<b>10,612,553</b>	<b>51,426,032</b>



	Notes to Budget	Unit cost	Nos						Amount in Taka					
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total
<b>2. Essential Health Care Services (EHC) for BRAC Members and Community</b>														
2.1 Shebika training 12 days training	38	360	3,000	3,000	3,000	3,000	-	12,000	1,080,000	1,080,000	1,080,000	1,080,000	-	4,320,000
2.2 Refresher course 12 days training	39	240	20,000	23,000	26,000	29,000	29,000	127,000	4,800,000	5,520,000	6,240,000	6,960,000	6,960,000	30,480,000
2.3 Health education material Tk.500 per trainees	40	500	3,000	3,000	3,000	3,000	-	12,000	1,500,000	1,500,000	1,500,000	1,500,000	-	6,000,000
2.4 Revolving fund per Shastho Shebika Tk. 1000 per Person	41	1,000	3,000	3,000	3,000	3,000	-	12,000	3,000,000	3,000,000	3,000,000	3,000,000	-	12,000,000
2.5 Salary of Regional Sector Specialist Tk.10000 per month	3	10,000	54	54	54	54	54		6,480,000	6,480,000	6,480,000	6,480,000	6,480,000	32,400,000
2.6 Salary of Senior Trainer Tk.8000 per month	15	8,000	20	20	20	20	20		1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	9,600,000
2.7 Salary of Programme Organiser Tk.5000 per month	17	5,000	890	890	890	890	890		53,400,000	53,400,000	53,400,000	53,400,000	53,400,000	267,000,000
2.8 Salary of Programme Organiser (TB Control Programme) Tk.5000 per month (100 Upazilas)	17	5,000	100	100	100	100	100		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	30,000,000
2.9. Travelling and transportation cost of staff (fuel and maintenance cost of motorcycle) Tk. 1500 per month	7	1,500	74	74	74	74	74		1,332,000	1,332,000	1,332,000	1,332,000	1,332,000	6,660,000
2.10 Staff training and development (10% of salary)	16								6,780,000	6,780,000	6,780,000	6,780,000	6,780,000	33,900,000
2.11 Rural sanitation cost	42	15,000	100	100	100	100	-	400	1,500,000	1,500,000	1,500,000	1,500,000	-	6,000,000
2.12 Salaries and benefits of Monitor Tk. 8000 per month	5	8,000	15	15	15	15	15	15	1,440,000	1,440,000	1,440,000	1,440,000	1,440,000	7,200,000
2.13 Management and Logistics Expenses(7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)	8								6,246,240	6,296,640	6,347,040	6,397,440	5,901,840	31,189,200
<b>Total</b>									95,478,240	96,248,640	97,019,040	97,789,440	90,213,840	476,749,200
<b>Inflation adjusted cost</b>	48								100,252,152	106,114,126	112,311,666	118,863,676	115,138,261	552,679,880
<b>Total Cost for Targeting Social Constraints</b>									194,753,108	209,628,837	219,205,439	233,911,415	236,184,199	1,093,682,998

**Annex 2: Summary and Detailed Budget**

	Notes to Budget	Unit cost	Nos						Amount in Taka					
			2002	2003	2004	2005	2006	Total	2002	2003	2004	2005	2006	Total
<b>C. Research and Evaluation</b>														
1.1	Salaries and benefits of RED staff Tk.35000 per month per person	35,000	70	60	60	60	60	person month	2,450,000	2,100,000	2,100,000	2,100,000	2,100,000	10,850,000
1.2	Salary of support staff Tk.8000 per month per person	8,000	125	90	90	90	90	person month	1,000,000	720,000	720,000	720,000	720,000	3,880,000
1.3	Data entry and processing cost								800,000	600,000	600,000	600,000	600,000	3,400,000
1.4	Printing, stationeries and supplies								500,000	400,000	400,000	500,000	500,000	2,300,000
1.5	Capacity building (National and International training for Staff)	1,412,500	1	1	1	-	-		1,412,500	1,412,500	1,412,500	-	-	4,237,500
1.6	Management and Logistics Expenses (7% of above expenses) (Head office management and logistics expenses include transport, logistics, audit, accounts and human resources department expenses.)								431,375	366,275	366,275	274,400	288,400	1,726,725
	<b>Total</b>								6,593,875	5,598,775	5,598,775	4,194,400	4,408,400	26,394,225
	<b>Inflation adjusted cost</b>								6,923,569	6,172,646	6,481,282	5,098,319	5,626,360	30,302,179
	<b>D. Contingency (2 % of total budget)</b>								7,571,965	8,553,743	10,761,767	17,101,012	18,863,873	62,852,360
	<b>TOTAL PROJECT COST IN TAKA</b>								386,170,231	436,240,904	548,850,118	872,151,606	962,067,517	3,205,470,373
	<b>TOTAL PROJECT COST IN US \$</b>								6,895,897	7,563,122	9,238,346	14,253,172	15,263,486	53,214,023

**CHALLENGING THE FRONTIERS OF POVERTY REDUCTION**  
**Estimated Budget for Technical Assistance**

	Unit cost in US \$	Nos					Amount in US \$					
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	Total
<b>I. Social Development Programme</b>												
<b>1. Developing Advocacy Strategy and Strengthening Advocacy Cell</b>												
1.1 Consultants' Fees	600 per day	60 days	30 days	15 days	0	0	36,000	18,000	9,000	0	0	63,000
1.2 Airfare, Visa/Taxes etc.	4,000	2	1	1	0	0	8,000	4,000	4,000	0	0	16,000
<b>2. Gender Audit and Social Mobilization Strategy Review &amp; Development</b>												
2.1 Consultants' fees	600 per day	120 days	30 days	15 days	0	0	72,000	18,000	9,000	0	0	99,000
2.2 Airfare, Visa/Taxes etc.	4,000	2	1	1	0	0	8,000	4,000	4,000	0	0	16,000
<b>II. Essential Health Care Programme</b>												
<b>1. Developing Health Insurance Strategy</b>												
1.1 Consultants' fees	600 per day	15 days	7 days	0	7 days	0	9,000	4,200	0	4,200	0	17,400
1.2 Airfare, Visa/Taxes etc.	4,000	1	1	0	1	0	4,000	4,000	0	4,000	0	12,000
<b>2. HIVAIDS-Community level programme development and counselling strategy</b>												
2.1 Consultants' fees	600 per day	15 days	7 days	0	7 days	0	9,000	4,200	0	4,200	0	17,400
2.2 Airfare, Visa/Taxes etc.	4,000	1	1	0	1	0	4,000	4,000	0	4,000	0	12,000
<b>3. Health MIS development</b>												
3.1 Consultants' fees	600 per day	15 days	7 days	7 days	0	0	9,000	4,200	4,200	0	0	17,400
3.2 Airfare, Visa/Taxes etc.	4,000	1	1	1	0	0	4,000	4,000	4,000	0	0	12,000
<b>III. Special Investment Programme</b>												
<b>1. LFA based reporting (including financial)</b>												
1.1 Consultants' fees	600 per day	15 days	7 days	0	0	0	9,000	4,200	0	0	0	13,200

## Annex 2: Summary and Detailed Budget

	Unit cost in US \$	Nos					Amount in US \$					
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	Total
1.2 Airfare, Visa/Taxes etc.	4,000	1	1	0	0	0	4,000	4,000	0	0	0	8,000
<b>IV. Enterprise Development Training Programme</b>												
<b>1. Development of new training modules and methods of training</b>												
1.1 Consultants' fees	600 per day	30 days	7 days	0	7 days	0	18,000	4,200	0	4,200	0	26,400
1.2 Airfare, Visa/Taxes etc.	4,000	1	1	0	1	0	4,000	4,000	0	4,000	0	12,000
<b>V. Research and Evaluation Division</b>												
<b>1. Action research programme design</b>												
1.1 Consultants' fees	600 per day	20 days	20 days	15 days	0	0	12,000	12,000	9,000	0	0	33,000
1.2 Airfare, Visa/Taxes etc.	4,000	2	2	1	0	0	8,000	8,000	4,000	0	0	20,000
<b>2. Impact Assessment</b>												
2.1 Consultants' fees	600 per day	0 days	15 days	0	15 days	15 days	0	9,000	0	9,000	9,000	27,000
2.2 Airfare, Visa/Taxes etc.	4,000	0	1	0	1	1	0	4,000	0	4,000	4,000	12,000
<b>Total Technical Assistance Budget</b>							<b>218,000</b>	<b>118,000</b>	<b>47,200</b>	<b>37,600</b>	<b>13,000</b>	<b>433,800</b>



## Notes to CFPR Budget

The total project cost will be Taka 3,205,470,373 (US\$ 53,214,023). GOB/WFP contribution for VGD training for the period from January 2002 to June 2002 will be Taka 42,125,000 (US\$ 752,232). BRAC contribution, from surpluses of the commercial activities, would be Taka 281,000,00 (US\$ 4,675,565). So, the net requirement from donors is Taka 2,882,345,373 (US\$ 47,786,227). In addition, US \$ 433,800 required for technical assistance to be managed by BRAC.

### 1. Grants for Capital Investment

This Tk. 6,000 per enterprise is the average of the investments in the different enterprises (see project proposal, pages 35-40) as shown below:

Name of Enterprise	Capital Investment * Tk /Unit
Cage rearing of poultry	9,100
Rearing of broiler hens	7,800
Rearing of goats	3,850
Rearing of cattle for beef	5,900
Rearing of dairy cows	6,900
Vegetable cultivation	6,430
Fish culture	5,288
Small shops	6,000
Horticulture nursery	5,600
Agroforestry	6,150
Training for wage employ	3,000
<i>Average</i>	<b>6,001</b>

\* Capital investment is investment required less subsistence allowance

The number of trainees given as 72,000 comprises of 70,000 new trainees and 2,000 dropouts from the first three years (see page 25).

### 2. Subsistence grants

This grant is calculated based on that distributed to VGD cardholders and calculated to be Tk. 4,320 per person as follows:

30kg of wheat per month @ Tk. 8 per kg for 18 months = Tk. 4, 320

### 3. Salaries and benefits of RSS

There is one RSS per region, to whom all the POs in the region are responsible. The total salary and benefit package of the regional sector specialist amounting to Tk. 10,000 per month is based on BRAC's salary structure for senior field-level staff (with +5 years of experience) and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**4. Salaries and benefits of PO**

The total number of POs required for the Special Investment (Asset transferred) component depends on the staff-participant ratio (for detail see *Table 3: Staff-Participant, Page 28*). The total salary and benefit package of the Programme Organiser amounting to Tk. 8,000 per month is based on BRAC's salary structure for senior POs with +3 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**5. Salaries and benefits of Monitor**

The total salary and benefit package of the monitor amounting to Tk. 8,000 per month is based on BRAC's salary structure for senior field-level staff with +3 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**6. Office rent and utilities**

This is calculated as the average cost of office space, electricity, and other maintenance expenses, based on the number of personnel in an office.

**7. Traveling and transportation expenses**

The staff traveling and transportation expenses include motorcycle repairing and maintenance cost, mileage allowance, and fuel cost. For close supervision and monitoring of the activities, extensive traveling is required (including two meetings to head office), and from our past experiences, we have found this cost to be Tk. 1500 per month on average.

**8. Management and Logistics Expenses**

Management and Logistic Expenses include the costs of head office level management staffs directly involved in the project, as well as allocation of the common pool expenses of area offices, regional offices, and head office. (Head office expenses include expenses of the transport, logistics, audit, accounts, and human resource departments.) Our past experiences indicate that this is about 7% of the total expenses.

**9. Salaries and benefits of trainer**

The total salary and benefit package of the trainer amounting to Tk. 5,000 per month is based on BRAC's salary structure for entry-level field staff, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**10. Trainers' training and development**

The cost of training includes the cost of food, training materials, and other supplies used, and transport, and amounts to about 10% of salary on average.

**11. Accommodation and utilities of trainers**

Accommodation and utilities expense for staffs is calculated to be Tk. 500 per person on average.

**12. Food for trainees**

This is the cost of one meal per day (lunch) at Tk. 20 per meal for 4 days of training.

**13. Training allowance (subsidy against wages)**

Tk. 30 per day of allowance is given to each participant for each day of training against working days lost.

**14. Salaries and benefits of area coordinator**

The total salary and benefit package of the area coordinator amounting to Tk. 8,000 per month is based on BRAC's salary structure for field staffs with +3 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund. Since, this programme is only a part of their total duties, 25% of their salary is allocated to this programme.

**15. Salaries and benefits of senior trainer**

The total salary and benefit package of the senior trainer amounting to Tk. 8,000 per month is based on BRAC's salary structure for senior trainers with +3 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**16. Staff training and development**

For its staffs, BRAC has specific training programmes on BRAC's unique culture and value, as well as those on management issues like - managing field operations, development management course, operation management course, and financial management course. There will also be programme specific trainings based on needs of different programmes. On average, 10% of staff salaries are allocated for these trainings.

**17. Salaries and benefits of Programme Organiser**

The total salary and benefit package of the Programme Organiser amounting to Tk. 5,000 per month is based on BRAC's salary structure for entry-level field staff, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**18. Confidence building course**

The estimated cost of Tk. 50 per day per person for this course is towards for food and conveyance allowance provided for the trainees.

**19. Special health care subsidy to ultra poor**

This subsidy of Tk. 300 per year per person is estimated for providing essential and emergency health care services to the ultra poor.

**20. Polli Shomaj Leaders' Training**

The cost per trainee, for the 3-day training, is Tk. 150, and includes the cost of food, training materials and other supplies used.

**21. Polli Shomaj Committee Workshop**

For the 1-day training, the cost of Tk. 25 per trainee includes the cost of food, training materials and other supplies used.

**22. Cost of Union Association**

This cost of Tk. 2,000 is for arranging meetings for the representatives of the Polli Shomaj Committee so as to enhance their participation in the development process.

**23. Teachers Training**

The cost of this 30-day training includes the cost of food, training materials, accommodation, and transport expenses.

**24. Refreshers of Teachers**

The cost of this 6-day training includes the cost of food and training materials.

**25. Education Materials**

This includes training materials, books, charts, pens & pencils and other supplies.

**26. Legal Awareness Workshop for Community Leaders**

The cost of this meeting includes the cost of food, training materials and supplies.

**27. Honorarium of Teachers**

Teachers are given an incentive of Tk. 10 per learner per course.

**28. Legal Aid and Other Support**

This includes all the expenses associated with arranging the legal aid clinics.

**29. Rural Drama Performance**

This includes all the costs for organizing the rural drama (popular theater), namely the 10-days' intensive training given to the 10-12 participants, as well as all associated costs.

**30. New innovative training methodology and experimental project expenses**

This is a lump-sum amount allocated according to our past experience.

**31. Seminars and Workshops**

Each of the seminars would accommodate 50 peoples. For the national level seminars, there would be Tk. 1,000 per diem per person, refreshments at Tk. 400 per person, and rent of venue space at Tk. 30,000. For district level seminars, there would be Tk. 500 per diem per person, refreshments at Tk. 200 per person, and rent of venue space at Tk. 10,000. For thana level seminars, there would be Tk. 200 per diem per person, refreshments at Tk. 200 per person, and rent of venue space at Tk. 5,000.

**32. Publications -Electronic Media**

Tk. 2,000,000 per year is allocated for policy advocacy through electronic media (radio, television) for the purpose of educating the people and creating public support for these activities.

**33. Publications -Posters/leaflets**

Tk. 1,000,000 per year is allocated for producing leaflet and posters towards educating the people, disseminating messages for the general people, and creating public support for these activities.

**34. Capacity Building -National training**

To achieve the objectives of policy advocacy special trainings for the staffs would be provided and cost Tk. 500 per day per person, which would include costs of food, accommodation, and training materials.

**35. Capacity Building -International training**

The cost of international training is estimated to be US\$ 15,000 per person.

**36. Salaries and benefits of Programme Manager**

The total salary and benefit package of the Programme Manager amounting to Tk. 30,000 per month is based on BRAC's salary structure for a senior staff with +10 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**37. Salaries and benefits of programme support staff**

The total salary and benefit package of the programme support staff amounting to Tk. 15,000 per month is based on BRAC's salary structure for a senior staff with +5 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**38. Shebika training**

This is a 12-day basic training course, and the costs include the cost of food, training materials and supplies, and transport expenses.



**39. Refresher course**

This is a 1-day training once a month, and the costs include the cost of food, training materials and supplies.

**40. Health education material**

This includes training materials, books, charts, pens & pencils and other supplies.

**41. Revolving Fund per Shastho Shebika**

Each Shastho Shebika will be provided a revolving fund of Tk 1,000 for purchasing the health supplies that include curative medicine, birth control pills, condoms, iodized salts, oral saline preparation, a home delivery kit, sanitary napkins, soaps, and vegetable seeds.

**42. Rural Sanitation Cost**

This includes a revolving fund, amounting to Tk. 15,000, for manufacturing slab rings and supplying tube-well sets.

**43. Salaries and benefits of RED staff**

The research and evaluation activities would require 70 person months in the first year, and 60 person months per year for the next 4 years (see text for details of research activities). The total salary and benefit package of RED staff amounting to Tk. 35,000 per month is based on BRAC's salary structure for a senior staff with +5 years of work experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**44. Salaries and benefits of support staff**

The research and evaluation activities would require from support staff 125 person months in the first year, and 90 person months per year for the next 4 years. The total salary and benefit package of the support staff amounting to Tk. 8,000 per month is based on BRAC's salary structure for a senior staff with +2 years of field-level experience, and includes the basic salary, house rent, medical allowance, two festival bonuses and employer contribution to provident fund.

**45. Data entry and processing cost**

Lump-sum amounts have been allocated for data entry and processing, based on our previous experiences.

**46. Printing, stationeries and supplies**

Lump-sum amounts have been allocated for printing, stationeries and supplies, based on our previous experiences.

**47. Capacity building of staff**

For capacity building, national and international training would be provided, and the cost is estimated to be US\$ 25,000 per person.

**48. Inflation Adjustment**

Inflation is estimated at a constant 5% per year for the whole five-year period.

**49. Exchange Rate**

The exchange rate is considered to be Taka 56.00 = US\$ 1.00, with and 3% devaluation Taka each year.

## Staff Requirement for CFPR

	2002	2003	2004	2005	2006
<b>1. Special Investment</b>					
1.1 Regional Sector Specialist	5	10	15	15	15
1.2 Programme Organiser	100	150	150	219	229
1.3 Monitor	5	10	15	15	15
<b>2. Enterprise Development Training</b>					
<b>2.1 Training for Specially Targeted Ultra Poor</b>					
1.1 Trainer	20	40	60	140	200
1.2 Monitor	2	4	6	14	20
<b>2.2 Training for IGVGD Ultra Poor</b>					
1.1 Regional Sector Specialist	20	20	20	20	20
1.2 Senior Trainer	50	50	50	50	50
1.2 Trainer	800	800	800	800	800
<b>2.3 Training to BDP Ultra Poor</b>					
1.1 Regional Sector Specialist	5	8	10	15	20
1.2 Trainer	40	100	240	640	880
<b>3. Social Development Programme</b>					
<b>3.1 Social Development Programme for Specially Targeted Ultra Poor</b>					
1.1 Regional Sector Specialist	5	8	10	20	25
1.2 Programme Organiser	100	150	137	219	229
<b>3.2 Social Development Programme for VO Members and the Community</b>					
1.1 Regional Sector Specialist	25	25	25	25	25
1.2 Programme Organiser	400	400	400	400	400
<b>3.2.1 Human Rights and Legal Services</b>					
1.1 Regional Sector Specialist	25	25	25	25	25
1.2 Programme Organiser	400	400	400	400	400
1.3 Monitor	20	20	20	20	20
<b>3.2.2 Policy Advocacy</b>					
1.1 Programme Manager	1	1	1	1	1
1.2 Programme support staff	15	15	15	15	15
<b>4. Essential Health Care (EHC) Programme for BRAC members and the Community</b>					
1.1 Regional Sector Specialist	54	54	54	54	54
1.2 Programme Organiser	890	890	890	890	890
1.3 Senior Trainer	20	20	20	20	20
1.4 Programme Organiser (TB Control)	100	100	100	100	100
1.4 Monitor	15	15	15	15	15
<b>5. Research and Evaluation Division</b>					
1.1 RED staff	70	60	60	60	60
1.2 Support staff	125	90	90	90	90
<b>TOTAL NUMBER OF STAFF</b>	<b>3,312</b>	<b>3,465</b>	<b>3,628</b>	<b>4,282</b>	<b>4,618</b>

## Enterprise Economics

Table-1: Cage Rearing of Poultry

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Cages	Number	1	2,600	2,600	--
House Extension for Cage			300	300	--
Birds - 8 weeks old		36	50	1,800	1,800
Feed (kg) during growing stage (weeks 9-20)		360	12	4,320	4,320
Medicine and vaccines			80	80	80
Subsistence allowance	Per month	3	300	900	
<b>Investment required</b>				<b>10,000</b>	<b>6,200</b>
<b>Operating cost during laying period</b>					
Feed - requirement	Kh/bird	38			
	Total kg	1,368	11	15,048	15,048
Vaccines		36	2	72	72
				<b>15,120</b>	<b>15,120</b>
<b>Revenues</b>					
Eggs - production	No./bird	275			
- sale	Total no.	9,625	2.75	26,469	26,469
Sale of culled birds		35	90	3,150	3,150
<b>Total Revenue</b>				<b>29,619</b>	<b>29,619</b>
Less: operating cost during laying period				15,120	15,120
<b>Net surplus</b>				<b>14,499</b>	<b>14,499</b>
Investment required for the next cycle				6,200	6,200
<b>Net earnings</b>				<b>8,299</b>	<b>8,299</b>
Add subsistence allowance		3	300	900	
<b>Total Income available for consumption</b>				<b>9,199</b>	<b>8,299</b>

Table-2 : Rearing of Broiler Hens

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
House and Equipment				1,000	0
Day old Chicks	Number	100	24	2,400	2,400
Feed (0-6 weeks)	Kg	300	14	4,200	4,200
Medicine and vaccine			200	200	200
Subsistence allowance	Per month	2	300	600	600
<b>Investment required</b>				<b>8,400</b>	<b>6,800</b>
<i>Investment required for rearing in each cycle</i>				<i>6,800</i>	<i>6,800</i>
<b>Revenue</b>					
Sale of broiler hens	Kg/hen	1.5			
Hens sold	Number	95			
<b>Total Revenue</b>		<b>142</b>	<b>60</b>	<b>8,520</b>	<b>8,520</b>
Less investment required for the next cycle				6,800	6,800
<b>Net earning per cycle of 6 weeks</b>				<b>1,720</b>	<b>1,720</b>
<b>Annual Income</b>	Cycles	<b>6</b>		<b>10,320</b>	<b>10,320</b>
Add subsistence allowance				600	
<b>Income available for consumption</b>				<b>10,920</b>	<b>10,320</b>

Table-3 : Rearing of Goats

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Goats	Number	4	750	3,000	0
Feed - rice bran, salt				750	1,500
Medicine				100	100
Subsistence allowance	Per month	9	300	2,700	
<b>Investment required</b>				<b>6,550</b>	<b>1,600</b>
<b>Revenue</b>					
Sale of kids	First year	4	700	2,800	
	Second year	10	800		8,000
<b>Total Revenue</b>				<b>2,800</b>	<b>8,000</b>
Add subsistence allowance				2,700	
Less: working capital required for next cycle				1,600	
<b>Income available for consumption</b>				<b>3,900</b>	<b>6,400</b>



Table-4 : Rearing of Cattle for Beef

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Cattle	Number	1	5,000	5,000	5,000
Feed - rice bran, rice straw, salt				800	800
Medicine, vaccine				100	100
Subsistence allowance	Per month	6	300	1,800	
<b>Investment required</b>				<b>7,700</b>	<b>5,900</b>
<b>Revenue</b>					
Sale of animal	First year	1	11,000	11,000	11,000
<b>Total Revenue</b>				<b>11,000</b>	<b>11,000</b>
Add subsistence allowance				1,800	
Less: working capital required for next cycle				5,900	5,900
<b>Income available for consumption</b>				<b>6,900</b>	<b>5,100</b>

Table-5 : Rearing of Dairy Cows

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Cow	Number	1	6,000	6,000	
Feed - rice bran, straw, salt				800	1,000
Medicine				100	100
Subsistence allowance	Per month	3	300	900	
<b>Investment required</b>				<b>7,800</b>	<b>1,100</b>
<b>Revenue</b>					
Production of milk	Kg/day	2			
	days	270			
Cyclical adjustment (dry periods)		75%			
Sale of milk	Kg	405	14	5,670	3,799
Calf	Number	1	4,000		4,000
<b>Total Revenue</b>				<b>5,670</b>	<b>7,799</b>
<b>Net Revenue</b>				<b>5,670</b>	<b>6,699</b>
Add subsistence allowance				900	
Less: working capital required for next cycle					1,000
<b>Income available for consumption</b>				<b>6,570</b>	<b>5,699</b>

Table-6 : Vegetable Cultivation

	Units	Quantity	Unit	Total (Tk)	
				Price (Tk)	Year 1
Land Lease	Acres	0.33	6,000	1,980	1,980
Irrigation – manual tubewell		1	2,000	2,000	
Preparation and fencing				600	600
Seed – cauliflower, brinjal, lal shak, tomato				350	350
Organic fertilizer	Kg	1,320	0.50	660	660
Inorganic fertilizer-Urea50, TSP30,Potash 25	Kg	105	8	840	840
Subsistence allowance	Per month	4	300	1,200	
<b>Investment required</b>				<b>7,630</b>	<b>4,430</b>
<b>Revenue</b>					
Sale of vegetables	Kg	1,000	13	13,000	13,000
<b>Total Revenue</b>				<b>13,000</b>	<b>13,000</b>
Net Revenue				13,000	8,570
Add subsistence allowance				1,200	
Less: working capital required for next cycle				2,930	
<b>Income available for consumption</b>				<b>11,270</b>	<b>8,570</b>

Table-7 : Fish Culture

	Units	Quantity	Unit	Total (Tk)	
				Price (Tk)	Year 1
Pond Lease	Acres	0.25	7,500	1,875	1,875
Lime	Kg	38	8	300	300
Organic fertiliser	Kg	625	0.50	313	313
Inorganic fertiliser – Urea, TSP	Kg	163	8	1,300	1,300
Fingerlings	Number	1,000	1.50	1,500	1,500
Subsistence allowance	Per month	3	300	900	
<b>Investment required</b>				<b>6,188</b>	<b>5,288</b>
<b>Revenue</b>					
Production of fish					
- mortality	33%				
- average size	Kg	0.60			
Sale of fish	Kg	402	36	14,472	14,472
<b>Total Revenue</b>				<b>14,472</b>	<b>14,472</b>
<b>Net Revenue</b>				<b>14,472</b>	<b>9,185</b>
Less working capital for the next cycle				5,288	
Add subsistence allowance paid by BRAC				900	
<b>Income available for consumption</b>				<b>10,085</b>	<b>9,185</b>

Table-8 : Shall Shops

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Physical infrastructure		1	2,500	2,500	500
Stocks			3,500	3,500	3,500
<b>Investment required</b>				<b>6,000</b>	<b>6,000</b>
<b>Revenue</b>					
Sales	Per month		4,200	4,200	4,200
<b>Total Revenue</b>				<b>4,200</b>	<b>4,200</b>
Margin			15%		
<b>Net Revenue</b>				<b>630</b>	<b>630</b>
<b>Annual Income available for consumption</b>	<b>Months</b>	<b>12</b>		<b>7,560</b>	<b>7,560</b>

Table-9 : Horticulture Nursery

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Land Lease	Acres	0.10	7,000	700	700
Preparation and fencing				700	700
Irrigation – manual tubewell		1	2,000	2,000	
Seed	Kg	6	200	1,200	1,200
Pesticides				200	200
Organic fertiliser	Kg	200	1.0	200	200
Inorganic fertiliser – Urea <sup>4</sup> , TSP <sup>4</sup> , Potash <sup>2</sup>	Kg	10		100	100
Misc. (including polythene bags)				500	500
Subsistence allowance	Per month	9	300	2,700	
<b>Investment required</b>				<b>8,300</b>	<b>3,600</b>
<b>Revenue</b>					
Sale of seedlings – first year	Number	3,000	2.00	6,000	
Second year		7,000	2.50		17,500
<b>Total Revenue</b>				<b>6,000</b>	<b>17,500</b>
<b>Net Revenue</b>				<b>6,000</b>	<b>13,900</b>
Less working capital for the next cycle				3,100	
Add subsistence allowance				2,700	
<b>Income available for consumption</b>				<b>5,600</b>	<b>13,900</b>

Table-10 : Agroforestry

	Units	Quantity	Unit Price (Tk)	Total (Tk)	
				Year 1	Year 2
Land preparation and fencing	Acres	0.35		1,000	1,000
Irrigation – manual tubewell		1	2,000	2,000	
Seed – vegetables (beans, cowpea, brinjal, lal sag)	Kg	2.5	200	500	500
Seedlings – acacia, delbergia sissoo, korai, guava, lemon, papaya, jackfruit	Number	300	5.00	1,500	1,500
Pesticides				250	250
Organic fertiliser – cowdung	Kg	800	1.0	800	800
Inorganic fertiliser – Urea <sup>4</sup> , TSP <sup>3</sup> , Potash <sup>2</sup>				100	100
Subsistence allowance	Per month	12	300	3,600	
<b>Investment required</b>				<b>9,750</b>	<b>4,150</b>
<b>Revenue</b>					
Sale of papaya, vegetables	Kg	600	13	7,800	10,000
<b>Total Revenue</b>				<b>7,800</b>	<b>10,000</b>
<b>Net Revenue</b>				<b>7,800</b>	<b>5,850</b>
Less working capital for the next cycle				3,000	
Add subsistence allowance				3,600	
<b>Income available for consumption</b>				<b>8,400</b>	<b>5,850</b>

**Details of programmes being implemented by NGOs working with the  
ultra poor in the 14 regions surveyed by BRAC.<sup>1</sup>**

Name of NGO	Type of Programmes offered								
	VGD	Social Awareness	Asset Transfer	Homestead Provision	Credit	Training	Employment Scheme	IGA	Other
Social Development Programme					x			x	
Nari Uddyog Kendra			x						
Rac Bangladesh					x	x			
Poppy				x					
Govt./WFP	x								
Shanirvar Bangladesh		x	x		x	x			x
Nikli IDP							x	x	x
Prottasha					x				
Concern				x	x		x	x	x
Gonoshastho Kendra		x	x						x
NDP		x			x	x	x		
Mother Theresa						x	x		
Gono Kollyan Foundation		x					x	x	
Arches	x					x			
Proshika				x	x	x	x		x
Social Management Centre		x				x			
Manob Mukti		x			x			x	
Sromo Jibi Kollyan Samity			x			x			
Unnayan Sangha			x		x	x			x
Sonali Kollyan Sangha			x						
Samity Sangha			x						
Plan International	x					x			x

<sup>1</sup> Regions surveyed include: Thakurgaon, Nilphamari, Gaibanda, Kurigram, Sirajganj, Madharipur, Shariatpur, Gopalganj, Jamalpur, Sherpur, Rajbari, Kishorganj, Faridpur, Chandpur, and Rangpur



Name of NGO	Type of Programmes offered								
	VGD	Social Awareness	Asset Transfer	Homestead Provision	Credit	Training	Employment Scheme	IGA	Other
Grameen Bank			x		x			x	x
Shobha		x							
VPKA				x					
Samata		x							
Raoush		x							
DMKS		x							
Bhoard									x
Kormo Jibi Kollyan Shangstha				x					
FHD		x							
Abha			x	x					
Sheikh Artho Shamajic Unnayan Shangstha			x	x					
BAWPA		x		x	x				
Prodipon		x	x						
Jamuna Janakallyan			x						
ASED		x			x				
Progress					x				
Chinno Mukul									x
Gram Unnayan Kendra	x				x		x		
RDRS			x	x	x		x		
FP		x							
Grameen Krishi Foundation			x		x				
ADAK					x				
Bichitra Unnayan Shangstha	x				x	x			x
ASA					x				
Hitoishi Bangladesh					x	x		x	x
Gram Unnayan		x							
MRPS			x						
Jibika			x						

Name of NGO	Type of Programmes offered								
	VGD	Social Awareness	Asset Transfer	Homestead Provision	Credit	Training	Employment Scheme	IGA	Other
View				x					x
BSDS			x						x
HDO			x	x					
World Vision				x			x		x
Polli Agragati Sangstha				x					
Uddyog		x							
Thangamara Mohila Shabuj Shangha		x		x			x		
Esho Nijera Kori			x						
Hasina Moshir Welfare Association									x
Atho Unnayan Shangstha		x				x			
SKS			x						
USS			x	x					x
Udayan Shabolombi Shnagstha		x	x						
Chinomule Bhumukhi Shangstha			x			x			
Gono Unnayan Kendra						x			
SDC			x						
Mouke	x						x		
SGS		x							
RBNS			x	x					
Islamic Relief			x						
<b>Total</b>	<b>6</b>	<b>21</b>	<b>26</b>	<b>16</b>	<b>23</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>17</b>

## Bangladesh Poverty and BRAC



## Bangladesh: Basic Facts

## ▪ Geography:

- *Location:* Southern Asia, bordering the Bay of Bengal, between Burma and India
- *Total Area:* 144,000 sq. km (land 133,910 sq. km; water 10,090 sq. km)
- *Coastline:* 580 km
- *Terrain:* mostly flat alluvial plain; hilly in south-east

Natural Resources: natural gas, arable land, and timber

- *Land use:* arable land 73%; permanent crops 2%; permanent pastures 5%; forest and woodland 15% and other 5% (1993 est.)
- *Irrigated land:* 31,000 sq. km (1993 est.)
- *Natural Hazards:* droughts, cyclones; much of the country routinely flooded during the summer monsoon season

- *Environment:* many people are landless and forced to live on and cultivate flood-prone land; limited access to potable water; water-borne diseases prevalent; water pollution especially of fishing areas results from the use of commercial pesticides; intermittent water shortages because of falling water tables in the northern and central parts of the country; soil degradation; deforestation; severe over population.
- **People:**
  - *Population:* 127,117,967 (July 1999 est.)
  - *Age structure:*
    - 0-14 years: 38% (male 24,516,722; female 23,346,904); 15-64 years: 59% (male 38,441,064; female 36,586,743); 65 years and over: 3% (male 2,303,613; female 1,922,921) (1999 est.)
  - *Population growth rate:* 1.59% (1999 est.);
  - *Birth rate:* 25.2 births/1,000 population (1999 est.); *Death rate:* 8.5 deaths/1,000 population (1999 est.)
  - *Net migration rate:* -0.79 migrant(s)/1,000 population (199 est.)
  - *Sex ratio:*
    - At birth: 1.06 male(s)/female; under 15 years: 1.05 male(s)/female; 15-64 years: 1.05 male(s)/female; 65 years and over: 1.2 male(s)/female; total population: 1.06 male(s)/female (1999 est.)
  - *Infant mortality rate:* 69.68 deaths/1,000 live births (1999 est.)
  - *Life expectancy at birth:*
    - Total population: 60.6 years; male: 60.73 years; female: 60.46 years
    - Total fertility rate: 2.86 children born/woman (1999 est.)
  - *Ethnic groups:* Bengali 98%; Biharis 250,000; ethnic groups: less than 1 million

- *Literacy (age 15 and over can read and write):* total population: 38.1%; male: 49.4%; female: 26.1% (1995 est.)
- **Economy:**
  - *Overview:* Despite sustained domestic and international efforts to improve economic and demographic prospects, Bangladesh remains one of the world's poorest, most densely populated, and least developed nations. The economy is largely agricultural, with the cultivation of rice the single most important activity in the economy. Major impediments to growth include frequent cyclones and floods, the inefficiency of state-owned enterprises, a rapidly growing labour force that cannot be absorbed by agriculture, delays in exploiting energy resources (natural gas), inadequate power supplies, and slow implementation of economic reforms. Severe floods, lasting from July to October 1998, endangered the livelihoods of more than 20 million people.
  - *GDP:* purchasing power parity \$ 175.5 billion (1998 est.); real growth rate 4%; per capita \$ 1,380 (1998 est.); *GDP composition by sector:* agriculture 30%; industry 17%; services 53% (1997)
  - *Population below poverty line:* 35.6% (1995-96 est.);
  - *Household income/consumption by % share:* lowest 10%: 4.1%; highest 10%: 23.7% (1992)
  - *Inflation rate (consumer prices):* 7% (1998)
  - *Labour force:* 56 million
  - *Labour force by occupation:* agriculture 65%; services 25%; industry and mining 10% (1996); *Unemployment rate:* 35.2% (1996)
  - *Industries:* jute manufacturing, cotton textiles; tea, leather, chemical fertilizer, food processing, steel, pharmaceuticals, sugar, garments, cement, natural gas
  - *Industrial production growth rate:* 3.6% (1997)

Source: Different sources from Internet.

## 1.2 Overall Poverty Situation in Bangladesh

More than half (53%) of Bangladesh's 12 million people are poor as measured by those consuming below 2,122 calories per person per day and 36% are classified as 'very poor' defined as those who do not even consume 1805 calories<sup>1</sup>. There is some controversy on the actual proportion of the 'very poor' in the population. The Poverty Trend Analysis (PTA) by the Bangladesh Institute of Development Studies (BIDS) found that 23% were in the latter group. Based on this, the World Food Programme (WFP) estimates that there are 30 million very poor and poorest people in the country. See Chart 1.1 for a classification of poverty groups in Bangladesh.

Given the sheer magnitude of the numbers involved, it is clear that the poor or even the 'very poor' cannot be a homogeneous group. As such, for the purpose of the subsequent discussion we will further divide the 'very poor' into two groups: the 'destitute' (or the bottom 5% or so who consume less than 1600 calories and cannot participate in mainstream anti poverty programmes for disability, gender or old age) and the 'ultra-poor' (those who are able to work and are a little better off than the destitute but are still very poor). The reason for this split is the recognition that these different poverty groups require different development interventions.

<sup>1</sup> World Bank 1999

Households those are above the 1800-calorie line but below the 2122 line can be classified as the 'moderate poor'. However, today's poor are not the same as tomorrow's poor. Households slightly above the poverty line are vulnerable to slipping into poverty given even small changes in circumstances; as such this 'vulnerable non-poor' group also need to be an integral part of an effective anti-poverty strategy<sup>2</sup>. According to a DFID document<sup>3</sup> this proportion is about 20%. The bulk of participants in Bangladesh's mainstream anti-poverty programmes including that of BRAC and Grameen belong to these latter two groups.

The above classification based on household economy is useful for an initial understanding of the magnitude of the problem. However, the household economy reflects only the tip of an iceberg of deprivation and exploitation. It is a common knowledge that women in a household are more disadvantaged compared to other members in the family. This means that women in moderately poor households, for example, may themselves be equally disadvantaged as the poorest group. Our understanding of the classifications may thus be greatly flawed. BRAC has considered these qualitative classifications in targeting its new programme participants.

A number of studies show that poverty is strongly associated with a number of individual, household and community characteristics. The most frequently cited 'poverty correlates' are:

- *Land ownership:* This is strongly correlated with socio-economic status and thus serves as the basis of poverty targeting for many programmes in South Asia. Owners of less than half an acre of land are more likely to be poor compared to those with more than half an acre. Studies by the Bangladesh Institute of Development Studies (BIDS) revealed that for the 'vulnerable non-poor', the average landholding is 1.5 acres, for 'moderate poor' the average is 0.5 acre and 'very poor' is 0.15 acres<sup>4</sup>. Recent studies by BRAC find that the average land holding for the 'destitute' and ultra poor is less than 6 decimals<sup>5</sup>.
- *Education:* Households with low levels of education are more likely to be lower down in the poverty ladder; almost half of the households with a head who had not attended school are very poor and only 7% of households whose heads had completed secondary school are in this category<sup>6</sup>. Even when other factors are held constant the returns to education are striking. For instance a rural household whose head and spouse have completed secondary schooling have a 90% higher consumption per capita compared to a household whose head and spouse have no schooling.
- *Occupation:* Day labourers, particularly landless agricultural workers, are the poorest category. A recent study at BRAC found that among the 'destitute' and ultra poor, 45% were day labourers; of the rest, 9% were beggars; 10% maidservants and 5% disabled<sup>7</sup>. Owner-farmers are the least poor in rural areas. Those involved in non-agricultural work in rural areas are better off than tenant farmers and workers in fisheries, forestry and livestock. A careful study of the gains from switching from agriculture to the rural non-farm sector shows that if a landless farm worker in Bangladesh were to become a rural transportation worker his household will benefit from a 16% gain in per capita consumption. If this landless worker were to switch to becoming a petty trader his household per capita consumption will increase by 23%<sup>8</sup>. The promotion of the rural non-farm sector is therefore an effective anti-poverty strategy.

<sup>2</sup> Rahman and Hossain, 1995.

<sup>3</sup> 1999.

<sup>4</sup> Rahman, 1999.

<sup>5</sup> Halder, 1999.

<sup>6</sup> World Bank, 1999.

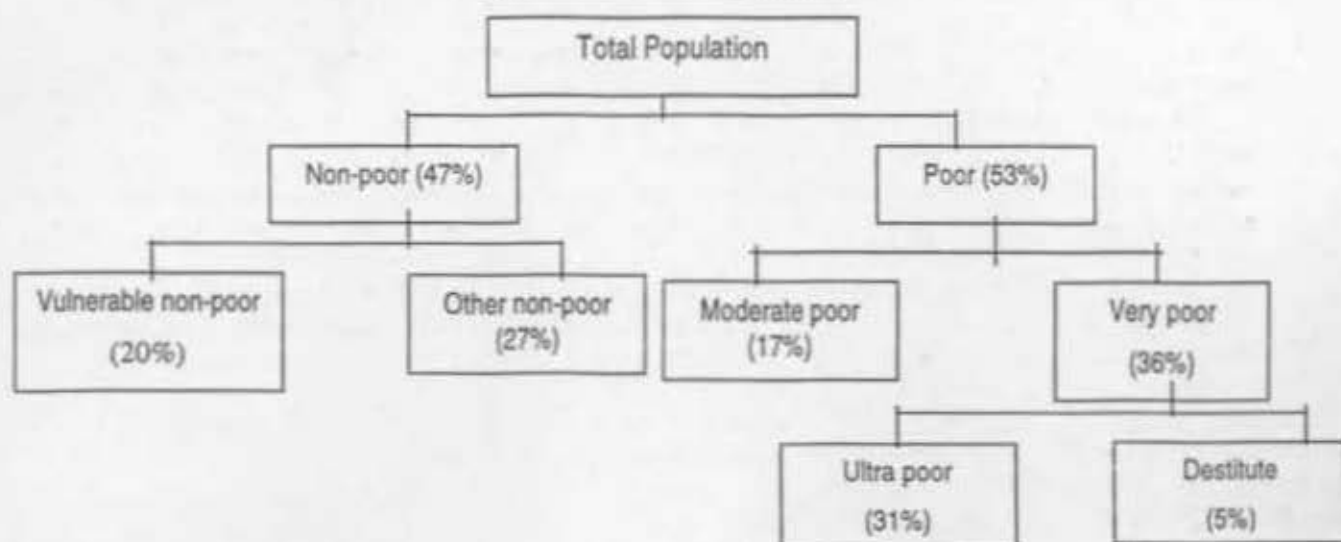
<sup>7</sup> Halder, 1999.

<sup>8</sup> Ravallion and Wodon, 1998.



- *Gender disparities:* Female headed households are poorer than male headed households. However, if intra-household distribution issues are taken into account the male-female divide is likely to be even worse, and as argued previously, a woman in a moderately poor household may be equally deprived as a male member in a very poor household. Whilst gender gaps in primary school enrolment have disappeared, girls are much less likely to attend and complete secondary school. Among the 'destitute' and ultra poor households, the average landholding in female headed households is much lower (3.5 decimals) than male headed households (6.7 decimals); similarly they are about half of the males in terms of assets ownership and savings<sup>9</sup>.
- *Marital status, health status and age of household head:* Widowed, divorced or separated household heads are likely to be poorer; the elderly are also worse off, and heads with disability and ill-health are also amongst the most destitute in society. Mainstream anti-poverty programmes have bypassed these groups most of whom are part of 'destitute' households. Studies have shown how income erosion due to sudden sickness in family leads to pauperization and destitution.
- *Social exclusion:* The poor are less involved in community decision making and are more vulnerable to violence and other social injustices. Some of the causes of extreme poverty lie in political exclusion and unequal social relationships. Although some participants belonging to some anti-poverty programmes (including BRAC) have been returned in local bodies elections, chances of their being from the 'very poor' category are extremely small.
- *Community characteristics:* Households in remote areas with poor infrastructure are poorer than households in well-endowed areas controlling for other factors. The lack of access to basic social and financial services by the poor is accentuated in less prosperous areas. The vulnerable area mapping by WFP has shown that specific areas have higher incidence of food insecurity. However, studies by Helen Keller International (HKI) found 'pockets' of malnutrition in some very commercialised ('richer') areas than in the areas deemed "food insecure" by WFP.
- *Other risk indices:* The 'destitute' live in makeshift or thatched house ("jhupri")<sup>10</sup>, have household members who are chronically ill, and are extremely vulnerable to natural disasters<sup>10</sup>. In addition, the seasonality of poverty puts the poorest into special stress Poverty in Bangladesh is very seasonal. It is most widespread in post-monsoon October-November season known as 'mora kartik'. This is the period at which hunger is at its most cruel form.

**Chart : Classification of the Population According to Level of Poverty in Bangladesh**  
(Based on WB/BBS estimates)



<sup>9</sup> Halder, 1999

<sup>10</sup> BRAC, 1999

### 1.3 Interventions in Bangladesh

Within a broad framework and in order to bring about a poverty-alleviating environment in overall development interventions, different government ministries and departments are involved in implementing poverty alleviation programmes. Rural development and poverty alleviation programmes of the Bangladesh Rural Development Board (BRDB), Rural Maintenance Programme of the Local Government Engineering Department (LGED), micro-credit disbursement programme of the Palli Karma Sahayak Foundation (PKSF) through partner organizations, Food for Works (FFW) and Vulnerable Group Development (VGD) programmes for poverty alleviation and social safety net, and similar programmes by other ministries and agencies provide examples of direct anti-poverty efforts of the government. Along with the government, NGOs and other civil society organizations are also actively involved in such efforts. Moreover, the SAARC consensus on poverty alleviation calls for the adoption of a national approach in pursuing a long-term pro-poor plan with separate allocations for poverty alleviation. This would be accomplished within a comprehensive approach covering institution building, credit disbursement, training, monitoring and evaluation under a decentralized participatory planning framework<sup>11</sup>.

Along with the pursuit of traditional growth strategies, Bangladesh has been pursuing, with varying degrees of emphasis and success, a number of special programmes for poverty alleviation. These include, in addition to directing increased shares of public expenditure on infrastructure and social sector programmes, expenditures directly targeted to the poor, income transfer to supplement consumption, measures to provide access and/or ownership to income generating assets, and creation of employment opportunities with reasonable wage rates. During 1990s, the government has achieved significant progress in shifting public expenditure towards social sectors and infrastructures.

**Table: Social Sector Expenditures in Annual Development Plan (ADP)**

(billion Taka at constant 1995/96 prices)

Category	1989/1990		1995/96	
	Amount	% of ADP	Amount	% of ADP
Total Social Sector	7.93	9.95	28.54	24.39
Education	3.15	3.96	15.88	13.57
Health	1.37	1.71	5.85	5.00
Family Planning	3.07	3.85	4.94	4.22
Social Welfare	0.36	0.45	1.87	1.60
Total ADP	71.75	-	117.00	-

Source: World Bank 1998

While higher public spending on social sectors, especially on education and health is a desirable change, an equally relevant issue is: How much do the poor benefit from such expenditures? For success in poverty alleviation, higher investments are necessary in basic services and social sectors leading to accelerated human capital formation and improved living standards for the poor. However, since human capital requirements (e.g. health, education) of the poor are a public good with positive externalities, the market and the private sector are unlikely to provide them to the required extent. Unless the government and development organizations provide these services in both quantity and quality, the poor will continue to suffer the results of failures.

<sup>11</sup> SAARC, 1993

One of the notable features of the government's approach to poverty alleviation has been its wider involvement in targeted development of the poor. The variety of such programmes is, however, more impressive than their effectiveness in reducing poverty. Nevertheless, there exist some programmes that do show considerable success and innovation. The programmes cover a wide range of activities: use of food aid to establish safety nets for the poor (e.g. Food for Work, VGD, Test Relief), creation and maintenance of rural infrastructure (e.g. Rural Maintenance Programme of LGED), rural development programmes of the BRDB (e.g. RD-5, RD-9, RD-12), primary and girls education programmes (e.g. Food for Education), financing microcredit programmes of the NGOs (e.g. through the PKSF), and programmes under different ministries (e.g. Ministries of Land, Agriculture, Social Welfare, Women affairs, Youth and Sports, Disaster Management and Relief, Local Government Rural Development and Co-operatives, Industries and others).

Along with the government, NGOs and development organizations have also emerged as effective institutions in contributing toward poverty alleviating efforts in the country. Starting with their relief and rehabilitation role after independence in 1971, these organizations have vastly expanded their programmes to emerge as effective societal change agents. These organizations now form an integral part of the institutional structure for addressing poverty alleviation, as well as rural development, gender equity, environmental conservation, disaster management, human rights and other social issues. The NGOs, in order to support social and economic empowerment of the poor, have also widened their range of activities to include group formation, microcredit, formal and non formal education, training, health and nutrition services, maternal and child health care, family planning, agriculture, water supply and sanitation, human rights and advocacy, legal aid and other areas. Within this broad spectrum, development organizations have pioneered and successfully experimented with a number of innovative approaches to poverty alleviation in the country<sup>12</sup>. Despite variations in perceptions of the problem and the resultant thrust of the programmes, development organizations/NGOs mostly follow a target-group strategy where the people with similar socio-economic interests are organized into groups to achieve their objectives. Within the poverty alleviation perspective, two of the principle instruments of these programmes involve microcredit (and skill development) and employment generation. It is estimated that nearly 80% of the villages in Bangladesh have been covered under NGO/development organizations' development activities. There are about 800 Micro Finance Institutions—MFIs with a total membership of about 7 million of whom 82% are women. The cumulative disbursement of the MFIs is about Taka 53 billion<sup>13</sup>. By 1993/94, the share of NGOs in rural credit had increased to 65%. NGOs are the major source of institutional credit in the rural areas. Credit is usually provided as part of a package, which includes training and support services to make the credit productive.

**Table: Institutional Disbursement of Rural Credit in Bangladesh**

Institutions	in million Taka			
	1990/91	1991/92	1992/93	1993/94
Government	623.19	280.87	671.61	1,044.81
NGOs	4,324.61	8,671.25	12,925.42	21,999.99
Commercial Banks	5,456.60	7,771.80	8,299.34	10,820.20
Total	10,404.39	16,729.92	21,896.37	33,865.00

Source: CPD 1995

<sup>12</sup> World Bank 1996; Mujeri 1997

<sup>13</sup> World Bank, 1999

Table: Disbursement of Microcredit by NGOs (up to 1998)

NGOs	Number of Beneficiaries (million)	Net Savings (Taka in million)	Cumulative Disbursement (Taka in million)
BRAC	2.74	2,237.36	2,9947.38
Grameen Bank	2.368	unknown	100,900
Proshika	1.132	329	6,774
ASA	0.873	834	9,251
Shwanirvar Bangladesh	0.667	141	1,572
Others	2.240	897	10,446
Total	7.165	4,287	53,644

Source: MOF 1999 and RDP MIS Report, December 1998

But the more important question is, what has been the impact of microcredit on the poor? One study on Grameen Bank, BRAC and BRDB RD-12 credit programmes suggests a positive impact of these programmes in reducing poverty<sup>14</sup>. Despite the positive impact, however, a matter of concern is the perpetuation of the large majority in the project villages of people living in poverty. This suggests that the programmes have a narrow coverage within the programme area and/or that they are constrained to adequately address the dynamics of underlying poverty. It is clear that despite the success and the rapid growth of poverty alleviation programmes by the government and NGO the extent of their interventions is yet to attain a perceptible improvement in the poverty levels of Bangladesh<sup>15</sup>.

## 1.4 BRAC in Poverty Alleviation

### 1.4.1 A Short Historic Note

BRAC began its operation in February 1972 after the end of the War of Liberation that led to the creation of Bangladesh. It began as a committee of concerned individuals who pledged to bring aid to thousands of refugees returning to their homes in Sulla, a remote rural district in the Sylhet region. During that time BRAC carried out an intensive relief and rehabilitation operation in Sulla for one year. But relief assistance, critical as it is in an emergency, created a state of dependency and did not provide long-term solutions for the problems of a poor, war ravaged country. Thus, in 1973, BRAC shifted its approach to community development involving the rural communities as a whole. However, BRAC soon realized that within the larger village community there were other communities that did not share the same values and there was an unequal distribution of power, privilege, and access to resources. The village power base, comprised of the local elite, controlled much of the economic and social opportunities suitable to the poor.

As a result, in 1977 BRAC underwent a second transformation in its approach to rural advancement. It decided to bypass the upper levels of village hierarchy and to work directly with the underprivileged. The target population consisted of the poorest of the poor: day labourers, fishermen without tools or adequate fishing rights, artisans, other petty traders, and women who were productive but whose economic contribution was not adequately recognized. They formed a significant segment of the population. They were landless, owned no assets and sold manual labour to survive.

BRAC's goal of empowerment of the poor and poverty alleviation required more than awareness raising and skill training; the people needed access to financial resources. Extending credit became a cornerstone

<sup>14</sup> Khandker et al. 1995a, 1995b, Khandker and Chowdhury, 1996

<sup>15</sup> Mujeri, 1999



of BRAC's strategy. BRAC's research clearly showed that women in Bangladesh played a much more vital role in production than had been hitherto acknowledged. Most women were economically and socially deprived, yet they were for the most part responsible for the management of households. Women also had the potential to bring meaningful change to the family in particular and to the community in general. Experience showed that because poor rural women were forced to manage an entire household with extremely limited means, they turned out to be better resource managers than their male counterparts. Therefore, if women gained greater access to resources, the impact will be more profound and sustainable. Furthermore, the growing number of households headed by women, as a result of the death of spouse, divorce, desertion and male migration, had left many women as sole providers for the family. Recognition of these facts led BRAC to develop new gender perspectives in its programmes. BRAC took on the formidable task of levelling the playing field for women in both social and economic spheres<sup>18</sup>.

### 1.4.2 Current Programme

BRAC's programmes now cover the main aspects of the life of the people with whom it works. BRAC activities are carried out through different programmes including Rural Development Programme (RDP), BRAC Urban Programme (BUP), Health & Population Programme (HPP); and BRAC Education Programme (BEP). As of December 1999, BRAC had 3.35 million Village Organization (VO) members. A total of 400 thanas (out of 464) of all 64 Districts of the country are covered by BRAC programme activities. Out of 86,000 villages, BRAC is present in over 50,000. All members of VOs are covered by a life insurance scheme.

The two main features of RDP, the core programme of BRAC, are enterprise development through credit facilities, and capacity building of the rural poor focusing on women. The nucleus of all RDP is the VO. All important links between BRAC and the VO is maintained through the Area Offices. Each VO consists of 40-45 members from the poor village community. When BRAC plans to set up an AO, it conducts a survey within 10Km radius of the proposed AO to identify the target households. Target households are people who own less than 50 decimals (0.5 acre) of land and sell manual labour for at least 100 days a year. Once they are identified, BRAC Programme Organisers (PO) carry out the motivational work needed to convince them to form a VO. The people are also made aware of the different programme of BRAC and the advantage of coming together as a group. Over 97% of BRAC VO members are women aged 18 to 54 years.

**Table: Services provided by a typical BRAC Area Office**

<p>a) <b>Savings &amp; Credit:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Compulsory Savings</i></li> <li>▪ <i>Income Generation and Housing Loans</i></li> <li>▪ <i>Life Insurance</i></li> </ul>
<p>b) <b>Sector Programmes &amp; Supporting Programmes:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Poultry &amp; Livestock</i></li> <li>▪ <i>Fisheries</i></li> <li>▪ <i>Sericulture &amp; Silk Development</i></li> <li>▪ <i>Social Forestry</i></li> <li>▪ <i>Agriculture Extension</i></li> <li>▪ <i>Programme Support Enterprises (Poultry Feed Mill, Poultry and Fish Hatchery, seed production centres, Dairy and Food Project, Cold Storage, Printers)</i></li> </ul>

<sup>18</sup> BRAC Annual Report, 1998

- |  |
|--|
| <p>c) <b>Social Development:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Essential Health Care</i></li> <li>▪ <i>Education</i></li> <li>▪ <i>Environment Awareness</i></li> <li>▪ <i>Formation of Federation</i></li> <li>▪ <i>Group Theatre</i></li> <li>▪ <i>Gram Shobha</i></li> <li>▪ <i>Human Rights and Legal Services (HRLS)</i></li> </ul> |
|--|

Source: BRAC Annual Report 1998

#### 1.4.2.1 Institution Building

A VO starts by the time there are about 20 members. The first step to become a VO member is to know about and implement the '18 promises' (Annex E). The members promise to help each other, be involved with productive and socially right activities for the benefit of their families and to take advantage of BRAC's services and abide by its rules. BRAC also conducts an orientation course for the members to familiarize them with the services available from BRAC. After a VO is formed, the members select a President and a Treasurer. For procedural purposes of micro credit activity, the VO members form small groups of five within a VO. The small group leaders head these small groups.

Major RDP activities include poultry and livestock rearing, vegetable cultivation, sericulture, fish culture, agriculture extension, plantation, small trade, Essential Health Care (EHC) and Human Rights & Legal Services (HRLS), Rural Enterprise Project and Micro-Enterprise Development Unit. Till December 1999, a total of 431 Area Offices have been established by RDP of which 300 are running on self-finance. These Areas Offices have organized 90,250 VO with 3.35 million members. As RDP is the core programme of BRAC, this particular programme implements many of the activities undertaken by the organization with assistance from other programmes.

The major activities of BRAC are presented below with brief description. All figures and information given in the tables are cumulative to December 1999.

#### 1.4.2.2 Savings and Credit

BRAC views poverty in a holistic way and regards it as a complex syndrome that requires extensive and innovative efforts to overcome. Lack of an 'enabling' environment deters the poor from breaking away from the poverty trap. BRAC believes that access to credit can play an important part in creating that enabling environment. Lack of access to the formal banking system is one of the major constraints for the rural poor that deprive them of the facility to borrow, save and invest in productive activities. The objective of BRAC's micro credit programme, thus, is to provide banking services to the poor, catering to their special needs.

The members at the weekly VO meetings take credit decisions. A Programme Organiser (PO), responsible for establishing links between BRAC and VOs, attends these meetings to facilitate the process. Through years of experience, BRAC has learned that credit can be a valuable input to better lives of the poor. Therefore, an important aim of the savings and credit programme is to help in creating a financial base for the group members through savings mobilization and credit so that they can carry out different income generating activities. Loans are given for both individual and joint activities and there is no collateral. However, they must have some savings with the organization before they can take loans.

BRAC currently provides savings facilities to around 3.5 million households targeting those with less than half an acre of land, who have been organized through VOs. In recent years BRAC has experimented with a range of different savings products to meet the financial needs of its clients. It currently offers four



different savings schemes that vary from open access current account facilities to longer-term fixed deposits schemes. By broadening the range of its savings facilities, poor households are better able to manage their liquidity needs and can access cash to smooth consumption.

BRAC aims to make the savings and credit operation cover its cost and generate a surplus, so that other RDP programmes can be subsidised. All RDP AO begins operation with borrowed funds from the Head Office and afterwards cover cost mainly from service charges. The AO is modelled in such a way that most of the offices become self-financing after four years of operation and are able to make enough surpluses to support other programmes. BRAC provides micro-credit facilities to around 2.4 million borrowers with an average loan size of Taka 4,800. Bangladesh has about 12 million poor families. BRAC and other micro-finance institutions together work with about seven million of them (assuming no overlap), which leaves at least five million more, needing support.

**Table: Savings and Credit Activities**

Savings	Detail	Terms>Returns/Conditions
1. Own Savings	Taka 5 to 10 every week	- 6% return on savings; - can withdraw 25% after 5yr., 50% after 10yr.; - can withdraw up to 50% for natural calamities.
2. Compulsory Savings	5% of loan amount	- can be withdrawn like own savings
3. Current Accounts Savings	Any amount can be put in any time for safe custody, 4% interest is paid on this	- can be withdrawn anytime, in part or in full by the member
<b>Credit</b>		
1. General Loans	15% flat	- can be taken for employment and income earning activities
2. Sectoral Programme Loan	15% flat	- this can be taken in addition to general loan
3. Rural Enterprise Loan	15% flat	- these loans are like sectoral loans, for non-farm business such as restaurants, manufacturing, marketing.
4. Housing Loan	10%	- it can run currently with the other two loans above

Source: MTR, October 1999

**Table: VO, Savings and Credit Achievements**

	December 1999	Projected to June 2005
VO Established	90,250	
VO Members	3.5 million	5 million
Savings	US \$ 58 million (Taka 290 crore)	Taka 787 crore
Loan Feature	95% to women Service charge on loan: 15% Repayment Rate: 98.4 %	
Number of Borrowers	2.4 million	4.4 million
Average Loan Size	US\$ 100 (Taka 5,000) US \$ 965 million (Taka 4,095 crore)	US\$ 175 (Taka 8,500)
Outstanding	US \$ 141.20 million (Taka 706 crore)	Taka 2,210

### 1.4.2.3 Sector Programmes

BRAC encourages group members to earn income by engaging in different activities. The sectors that are of special interest to BRAC are poultry and livestock, fisheries, sericulture, agriculture extension, and social forestry. Most of these activities can be done at or near home. Poultry, livestock and fisheries are activities that are traditionally done by the rural community. The role of BRAC is to improve the performance of these activities by introducing new technologies and breeds. Sericulture has been introduced because there is a lot of potential in the rural areas for generating income from mulberry plantation and silkworm rearing. Vegetable farming is an attractive activity because of high returns and the nutritive value of vegetables. Social forestry promotes the afforestation and use of fallow land and nurseries.

BRAC selects and train the VO members, supply them with essential skill development training and inputs and provides credit for getting involved into employment and income generating activities. The specialists provide technical support. All the income-generating programmes have co-ordination with government agencies (at local and national level). For many of the income generating outputs marketing links have been established. There is extensive trading in these activities between VO members and BRAC to assist the linkages. The income generating activities also have piloted new enterprises through the Rural Enterprise Project (REP).

**Table: Activities Under Sector Programmes**

Sector	Activities
Poultry	Mini poultry hatchery, chick rearers, Key rearers, Egg collector, Poultry worker (vaccinator)
Livestock	Para-veterinarians, Goat rearer, cow rearer, artificial insemination centre
Fisheries	Small fish hatchery, Carp nursery, Carp polyculture, Thai Sarputi culture, Pond re-excavation, Ox-bow lake fisheries
Sericulture	Mulberry tree plantation, Chawki rearer, Progressive silk farmer, reeling centres, Silk weaving
Agriculture	Vegetable cultivation, vegetable seed production, Maize cultivation, Spice cultivation, Home gardening
Social Forestry	Tree plantation, Grafting nursery, Agro-forestry, Strip Plantation
Rural Enterprise Project (REP)	Micro Enterprise Development, Non-Farm Enterprise Extension and Reinforcement (NEER), Activities for Business Motivation, Carpenter Development, Mechanics Development, Production Oriented Entrepreneur Development, Patent Enterprises Replication

**Table: Sector Programme Achievements (training received)**

Major Activities	Number of Participants*
Poultry Workers (vaccinator)	42,160
Poultry Rearers	1,150,480
Livestock Rearers	196,583
Para-veterinarians	3,645
Silkworm Rearers	10,368
Fish Farmers	113,948
Water Body under Fish Culture (acre)	25,550
Vegetable Growers	111,160
Horticulture Nurseries	7,392
Grafting Nurseries	683
Seedling Produced	249,001,778
Agroforestry Farmer	16,835
Block Plantation Farmer	5,267

\* Actively involved in income generation after receiving training at the end of December 1999

#### 1.4.2.4 Non-Farm Activities

The Rural Enterprise Project (REP) mostly initiates BRAC non-farm activities. This unit was set up in 1985 to find and test new opportunities for rural enterprises. Some of BRAC's most successful enterprises have emerged from testing carried out by this unit, many of them in non-traditional sector for women. While women actively participate in agriculture, their work in this sector is considered reproductive. In order to develop entrepreneurship among women, REP has created opportunities for them in non-farm activities. At this stage two main features of REP are Micro Enterprise Development (MED) and Non-farm Enterprise Extension and Reinforcement (NEER). Through this unit, BRAC has initiated solar energy and biogas plants in order to provide more affordable sources of energy to the rural poor. The solar energy programme is an integrated, multi dimensional, multi purpose project, utilizing several renewable energy technologies such as photovoltaics (PV), wind turbines and biogas.

**Table: Achievements in the Non-Farm Sector**

Shuruchi (restaurant)	2,346
Shuponno (grocery shop)	8,975
Shucharu (laundry)	929
Shubesh (tailoring shop)	3,448
Model Shuruchi (model restaurant)	24
Micro Enterprise Development (business)	375

Source: BRAC At A Glance, 1999

#### 1.4.2.5 Micro Enterprise Lending and Assistance (MELA)

In 1996, BRAC started the Micro Enterprise Lending and Assistance (MELA) programme with the aim to provide larger loans to the VO members as well as potential outsiders to develop their own small business. Unlike the micro credit programme, MELA is directed towards those who have progressed from absolute poverty to relative prosperity but find difficulties to access bigger loans from formal banks. MELA tries to stimulate the growth of small enterprise in the semi-urban and rural areas. MELA expects to strengthen the rural economy by injecting new capital into it. Therefore, MELA could be successful in discouraging rural-urban migration by helping rural people find ways to make money in their immediate environment.

The MELA loan programme is particularly interesting in the context of BRAC, as the institution places significant importance on microenterprise development. BRAC's commitment to enterprise development is well demonstrated in its efforts to set up enterprise development programmes at the basic micro level, particularly in the poultry, livestock, fisheries, and the artisan sectors. However, a large majority of MELA programme clients are engaged in trade and multiple income generating business, rather than a single enterprise. An interesting feature of MELA is that its enterprises create employment; many of the poor men and women find employment in such enterprises.

**Table: MELA Achievements**

Loan Range	US \$ 400 (TK 20,000) to US \$ 4,000 (Taka 200,000)
Borrowers	6,822
Loan Disbursed	US \$ 5.8 million (Taka 27 crore)
Loan Outstanding	US \$ 3.31 million (Taka 14 crore)

Source: BRAC At A Glance, 1999

#### 1.4.2.6 BRAC Urban Programme (BUP)

BRAC had been working in the urban areas for the past several years. In 1991, BRAC conducted a survey of urban slums and found that a substantial number of slum children had no access to education. As a result, BRAC opened 10 urban schools in 1992 as a pilot project. In early 1997, BRAC also started the Urban Credit Programme. In 1998, BRAC decided to gear up the Urban Programme's activities with five components: Economic, Health, Education, Environment, Advocacy and Effective Service Delivery.

**Table: Achievements of BUP**

BUP Area Offices	50 ( Dhaka, Chittagong, Khulna, Rajshahi)
Urban Poors' Organisation (UPO)	3,388
UPO Members	96,259
Loan Disbursement	US \$ 6.1 ( Taka 30 crore 90 lac)
Savings	US \$ 1.6 ( Taka 8 crore)
Loan Repayment Rate	99.8%

Source: BRAC At a Glance, 1999

#### 1.4.2.7 Health & Population and Essential Health Care Services

Ever since BRAC began its maiden operation in 1972, health intervention has been an integral aspect of the organization. At the initial stage, the focus had been on curative care through para-medics and a self-financing health insurance scheme. Since then, the health programme has evolved through distinctive phases. Current activities of Health and Population Programme (HPP) are Reproductive Health & Disease Control Programme, Health and Family Planning Facilitation Project of Rural Service Delivery Partnership (RSDP)/ National Integrated Population & Health Programme (NIPHP), Nutrition Facilitation Programme, Ante and Post -Natal Care and Essential Health Care. Then, there is Essential Health Care Programme (EHC) working with the BRAC target groups and also outsiders, providing basic health care services.

**Table: Achievements of HPP and EHC**

Working Districts	64
Villages Covered	31,033
Population Covered	31 million
Community Nutrition Centres	3,704
BRAC Health Centres (Shushasthy)	141
Eligible Couples Served	5.5 million
Antenatal Care Centres	4,592
Health Volunteers	32,152

#### 1.4.2.8 BRAC Education Programme (BEP)

With a view to improving the education scenario, BRAC introduced the Non Formal Primary Education (NFPE) programme in 1985, emphasising the educational needs of the girl child. This is a result of BRAC's effort to create equal educational opportunities for both boys and girls. NFPE complements the Universal Primary Education Programme of the government by providing education to the poorest children of the country. BRAC has developed the curriculum and school calendar according to the needs

of both the learners and their parents. Over the years the span of the programme is expanded with a number of activities like NFPE and Basic Education for Older Children (BEOC) schools, Urban schools, Hard to Reach schools, Schools for Garment Workers, Community Based, BEOC, and Adult Libraries, Education Support Programme (ESP), Material Development Unit (MDU), and BRAC Primary School.

BRAC School model is being adapted in Eastern and Southern African countries since 1995 and some organizations in South Asia, Western Africa and Central America are restructuring their primary education system based on BRAC experience.

**Table: Activities and Achievements of BEP**

<b>Non-Formal Primary Education</b>	
Number of Schools	34,481 (including 2,550 through other NGOs under Education Support Programme)
Students	Over 1.1 million-about 66% are girls. They are either not enrolled or dropouts from formal schools. Aged 8-10 and 11-14 years, they come from poor families.
Education	5-year Primary Education in a span of 4 years
Students Graduated	1.5 million. 90% moved to formal schools in higher classes.
Teachers	33,859 recruited from the villages and trained at BRAC Training And Resource Centres. 97 % are women. Some (622) Teachers take two shifts
Special features of School	Housed in rented thatched structure with one room, one class, one teacher and 30-33 students. School timing is flexible
Cost	US \$ 20 per child per year
BRAC Primary Schools	10
Pre-primary School	1,434
Community Primary School	67 (36 handed over by the Government so far)
Education Support to NGOs	250 NGOs with 2,550 schools
<b>BRAC Community Libraries:</b>	
Union level Libraries	450
Members	202,900
School Libraries	7,169
Members	215,070 (also provide training in tailoring, poultry, vegetables and nursery for members)
Adult Literacy Centres	7,260 (including 6,720 completed)

#### 1.4.2.9 Support Services

To uphold and sustain BRAC's multifaceted interventions, vital support programmes have been developed. These support programmes, assisting the core interventions, have given BRAC an institutional structure.

**Table: Support Departments**

Training and Resource Centre (12 residential training centres)	Research & Evaluation
Monitoring	Publications
Personnel	Audit & Accounts
Computer	Logistics
Construction	Public Affairs & Communications

#### 1.4.2.10 Programme Support Enterprises (PSE)

BRAC has established Programme Support Enterprises (PSE) because of the absence of private sector supplies to poor rural women. BRAC has set up five prawn hatcheries in Jessore, Pabna, Faridpur,



Comilla and Rajendrapur as part of its Programme Support Enterprise (PSE). The objective is to supply the VO members with environmentally safe post larvae. Besides, BRAC has also established another hatchery for experimenting with raising variety of catfish suitable for pond water. Under the PSE, BRAC has also set up two poultry feed mills and two poultry farms to supply the VO members with quality poultry feed and high yielding variety day old chicks (DOC). In the sericulture sector, seven grainages have been set up. In order to supply the members with better quality vegetable seeds, two seed production centres have been established. The PSE comprises of the following:

**Table: Programme Support Enterprises**

1. BRAC Printers
2. Cold Storage
3. BRAC Dairy and Food Project
4. Fish Hatchery
5. Poultry Farms
6. Poultry Feed Mills
7. Seed Production Centres

#### 1.4.2.11 NGO Co-operation Unit (NCU)

In 1995, BRAC set up an NGO Co-operation Unit (NCU) to improve the co-ordination between BRAC and other NGOs. This unit has explored ways for BRAC to assist the smaller NGOs, in enhancing their efficiency and expertise. Despite the activities of many NGOs a majority of the rural poor remain outside the scope of development. The support will continue to enable the smaller NGOs to step up their efforts in development. NCU provides training, technical, logistic and financial support and access to information. BRAC support to 250 NGOs through education programme has already been indicated above.

**Table: Achievement of NCU**

Particulars	Position in 1998	Performance in 1999	Position up to December 1999
<b>a) Number of NGOs Covered:</b>	35	39	74
1. Number of NGOs received credit support with training	34	17	51
2. Received Training only	-	22	22
3. Environment Support	-	-	01
<b>b) Fund Disbursed (Taka in million)</b>	9.8	24.48	34.275
<b>c) Training Support (participant #):</b>			
1. Savings and Credit Management	76	72	148
2. Accounts Management	45	47	92
3. Development Management	16	28	44
4. Refreshers on Accounts Management	-	34	34
5. Total Training Support	137	181	318

Source: NCU Report, December 1999

Beside these activities of NCU, the sector programmes have liaison with a number of government and non-government agencies.



#### 1.4.2.12 Aarong (marketing outlets for rural artisans)

Aarong, which means village fair, was set up in 1978 to help the rural craftsmen market their products. At present Aarong has seven branches at different locations in Dhaka and other cities. Aarong is supporting a huge number of artisans, most of whom are women, by linking them with local and international markets. Aarong has not only contributed to the revival of traditional crafts and designs, it has also been a trendsetter in establishing attractive marketing outlets for these products.

#### 1.4.3 BRAC Management

Despite rapid growth, BRAC has been careful to maintain a participatory and decentralized management system. Till December 1999, BRAC had over 58 thousand staff including Income Generating Project and part time staff. Teamwork and sharing of responsibilities are important values in BRAC and, through its work; it has tried to give real meaning to words like accountability and transparency. The strength it finds among its staff is not merely due to the number; they are a source of new and innovative ideas, and many have proved to be capable role models for future development practitioners. Till December 1999, BRAC had a total of 58,892 full time, and part-time staff.

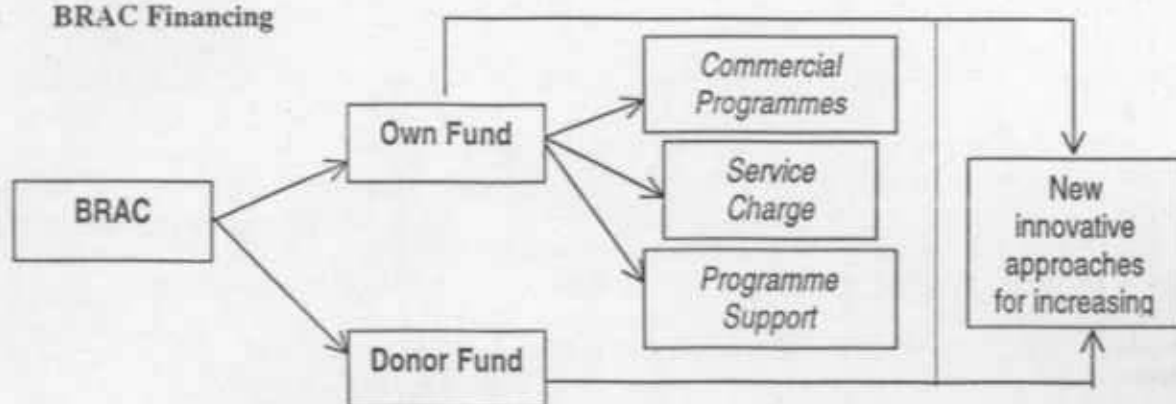
**Table: BRAC Employees**

Full time Staff	24,709
Income Generating Project	139
Part-time Workers	34,044
<b>Total</b>	<b>58,892</b>

#### 1.4.4 Financing of BRAC

BRAC was funded with support from Oxfam, UK in 1972. Over the years, it has made determined efforts to reduce dependence on donor fund. At present, approximates 60% of BRAC expenditure are met from its own sources, which includes, commercial projects, service charges and income from PSEs. Chart below provides a visual presentation of BRAC funding picture. In 1999, BRAC spent US\$ 131 million.

**Chart: BRAC Financing**



Main BRAC funding agencies/donors are: European Commission (EC), DFID (UK), DGIS (The Netherlands Govt.), NOVIB (the Netherlands), German Govt. (KfW), Aga Khan Foundation (AKF), CIDA, UNICEF, USAID, and Government of Bangladesh.

## 1.5 The Relevance of BRAC Interventions

Credit has always been used as a key element in the development strategy of Bangladesh. Since the early 1970s, targeted and subsidized rural credit programmes were dominated by state interventions to help with the development process. In the mid 1970s though, neo-classical economists identified these programmes as failures. They pointed out that subsidized interest rates led to an excessive demand for credit, followed by the rationing of credit, thus causing distortions of the market<sup>17</sup>. Further, access to subsidized credit was skewed to the wealthier rural population, thereby leading to less optimal allocations of scarce investment funds. This resulted in a process of financial repression – interest rates on saving deposits were depressed, inhibiting mobilization of domestic resources which was injurious to the country's overall economic development<sup>18</sup>.

During the same period, a number of NGOs/development organizations developed alternative credit delivery mechanisms for the rural poor, consisting of small amounts of collateral and affordable loans, popularly known as micro-credit. These programmes, unlike previous state efforts, have been successful in providing commendable access to credit by landless people, and in achieving high repayment rates of up to 98%.

There are, however, many obstacles to the economic graduation process that cause cyclical mobility across the poverty line. Demand and supply constraints are rampant within the structure of the rural economy of Bangladesh. Changes in the wider economy are crucial for the development activities undertaken by the rural poor. Poverty is not only about having inadequate income or income below the 'poverty line', but is also the inability to sustain a specified level of well being. Effective poverty reduction strategies should therefore provide the means or the instruments to achieve one's capability or ability to be well nourished, healthy, educated, productive, respected and so forth<sup>19</sup>.

- The Multi-causality of Poverty:

BRAC operates a range of interventions that aim to improve the socio-economic conditions of the various 'poverty groups' by addressing the 'poverty correlates' mentioned earlier. Empowerment of the poor and poverty alleviation are the two facets of BRAC's primary goal. Social mobilization is the *sine qua non* for the empowerment of the poor. BRAC looks at poverty with a holistic viewpoint. It is not only a lack or insufficient income that makes one poor but its combination with several other factors, including lack of access to education and health care, gender inequality, and power.

In the words of Amartya Sen, the Nobel laureate economist, "The point is not the irrelevance of economic variables such as personal incomes, but their severe inadequacy in capturing many of the causal influences on the quality of life and the survival chances of people"<sup>20</sup>. Sen in his recent writings has further outlined his thoughts on this and has called this the "capability approach to poverty"<sup>21</sup>. He maintains that "poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes". A recent South Asian Human Development Report<sup>22</sup> went further and stated, "What is critical for human progress is to address poverty of opportunity, and not just poverty of income. Poverty of income is often the result, poverty of opportunity is often the cause". Many of the anti-poverty programmes in Bangladesh unfortunately takes a narrow view and concentrate alone on the material aspects of poverty. BRAC is working to eradicate the poverty of opportunity by increasing the capability

<sup>17</sup> Shaw, 1973; McKinnon, 1973

<sup>18</sup> McGregor, 1988

<sup>19</sup> Wood and Sharif, 1997

<sup>20</sup> Sen, 1997

<sup>21</sup> Sen, 1999

<sup>22</sup> Haq, 1997



The NGOs because of their close proximity with the grassroots have certain advantages in carrying out development projects more efficiently. The pivotal role that NGOs play in poverty alleviation is an example in this respect. The government also created the required space for NGOs to function and to go national. This is an uniqueness for which the government and NGOs can claim credit for. The problems that Bangladesh faces are so multifarious and complex that it is almost impossible for the government alone to tackle. This made it imperative for NGOs like BRAC to be more pro-active. It is precisely these reasons for which BRAC has moved into activities like service delivery in specific areas and in limited extent. In such cases where BRAC is providing the service delivery it is only complementing and supplementing the government efforts, not supplanting those. Micro-credit, non-formal education, health services through outreach (e.g., tuberculosis control) or fixed centres (e.g., BRAC Health Centres) are examples of this. In recent times some NGOs at the behest of selected donors are increasingly being co-opted into government programmes as sub-contractors. But this process, however, risks the NGOs to lose their autonomy and legitimacy as civil society institutions. BRAC will remain vigilant in protecting its role as advocate for the distressed and disenfranchised<sup>25</sup>.

An important facet of BRAC development strategy is to influence the public sector policies in favour of the poor. BRAC has been doing this through advocacy. In the coming years the advocacy component will be further strengthened to have even bigger impact on government policies and in this task BRAC research will play an important role.

- **Emphasis on Gender Equity and Women's Empowerment:**

In terms of gender, BRAC is an example of how an organization situated within a context of gender discrimination can start to work towards profound cultural change. A range of cultural, religious and social practices work to negate the humanity of women in Bangladesh. The lack of value placed on women in their homes and communities is reflected in the fact that in Bangladesh the life expectancy of women is less than that of men. BRAC has been promoting a new culture in the development field, with women at the forefront of all activities. Most of the recipients of credit are women; 70% of students and 90% of teachers in BRAC schools are female, and the health and poultry workers are all women. Women entrepreneurs are running rural restaurants, vaccinating poultry, treating patients, doing carpentry, and managing people; all these activities were traditionally in the male domain. BRAC believes that poverty cannot be eradicated without a reconstruction of gender role in the society. Empowerment of women is a necessary pre-condition for sustainable poverty alleviation. Women cannot be emancipated and empowered without an organizational base. BRAC has been working to organise them at village and higher levels at ward, unions and thana levels. This is the backbone of the social development programme of BRAC.

- **Organizational Culture:**

Despite our focus on women as narrated above, BRAC has discovered that no organization can stand apart from the society in which it is situated. Negative attitudes towards women's abilities were found within the organization itself. It was discovered that the difficulty in attracting and retaining female staff to work in the field was not because of the difficulty of the work, but because of subtle harassment and a lack of respect within and outside the organization. A number of mitigational actions were subsequently implemented leading to the initiation of the Gender Quality Action Learning (GQAL) programme in 1995. The programme provides courses at levels to familiarize staff with issues of gender as well as personal and organizational change. Another problem discovered through research studies was the unexpected and somewhat 'rude' behaviour of some of the field staff towards VO members<sup>26</sup>. BRAC has

<sup>25</sup> Abed, 1999

<sup>26</sup> Chowdhury, 1996; Husain, 1999

therefore taken up an initiative to re-inculcate organizational values among staff at various levels. All these initiatives are expected to improve qualitatively the attitudes and relationships within the organization and outside.

### 1.6 Is BRAC Serving the Poorest?

From the beginning BRAC has recognised and taken account of the existing socio-economic stratification in the rural society and as a consequence went for an approach that targeted only the poor and the women<sup>27</sup>. The definition of the poor (i.e., owning half an acre of land or less) was a functional one but other characteristics, such as whether family members sold their manual labour for survival (a very low status occupation in Bangladesh) were also considered in choosing village organisation (VO) members. It became evident that among the 'poor' (as defined through the BRAC criteria), there were further stratification; there were the extreme poor who belonged to households headed by women (with no or invalid male members), households having neither land nor homestead, and the marginal or moderate poor who are better off than the extreme poor.

Several studies have examined the composition of the VO members in terms of their economic status, and have confirmed that the majority of the members belonged to the target group defined by BRAC. Members coming from outside the target group (i.e., "tomorrow's poor") varied from 11% in a large population based survey of 24, 234 households<sup>28</sup> to 20% in a 'national' study<sup>29</sup> to 29% found in a sub-district<sup>30</sup>. While Evans et al used rapid rural appraisals (RRA) with 'wealth ranking', the other two studies utilized questionnaire survey methods.

There has been particular concern about the composition of the people involved in the BRAC micro-credit based poverty alleviation programmes, specifically whether the poorest were included or not. Hulme and Mosely (1996) estimated for Bangladesh that poorest 20% of the population were excluded from most micro-credit programmes. Montgomery et al (1996) in their study of the BRAC programme, however, estimated that 20% of the BRAC membership came from the poorest and vulnerable group, and 15 percent from outside the target group. The second impact assessment study of BRAC found that of the VO members 10% were 'absolute landless' and 30% were wage earners (a proxy for the very poor)<sup>31</sup>. The conclusions from the Evans et al (1999) study show that poorer households were more likely to be BRAC members compared to non-poor or less poor. They found that although the VO membership did include some people outside of the target groups, the overwhelming majority were poor as defined by BRAC and the share of the poorest of the poor in VO's was 'greater than their proportion in the population'. As all the village poor are not included in the VO (a VO consists of 40-50 members whereas a typical village will have about 100 poor households), the Evans et al study hypothesized a 'natural selection' mechanism through which households with more credit-worthiness ended-up being differentially enrolled as members. Rutherford (1993) in his study of the Grameen Bank in Bangladesh stressed on the problem of 'self exclusion', and opined that the ritual of membership such as rigid attendance in meeting and forced savings enhanced the 'fears and timidities' of the extreme poor, including widows and women household heads. For many of these households, only micro-finance is not the best choice; a combination of training, wage employment, and cash and food will be an effective strategy.

From the above discussion it is clear that while BRAC has been quite successful in recruiting members from the poor and near poor households, it has not been equally successful in recruiting as many from the 'very poor' households. Given that the needs of the latter are much more and fundamentally different than

<sup>27</sup> Chen, 1993; Lovell, 1993

<sup>28</sup> Evans et al, 1999

<sup>29</sup> Mustafa et al, 1996

<sup>30</sup> Zaman, 1996

<sup>31</sup> Husain, 1998



that of the former group, BRAC now intends to make a change in its strategy to specifically address the needs of the poorest households as well.

### 1.7 Why is it so hard to reach the Ultra Poor?

As mentioned earlier, there is significant differentiation within the ranks of the poor rural Bangladesh. While the poverty situation seems to have improved a little over the last seven years<sup>32</sup> a little less than a quarter of the rural population still remains within the ranks of the ultra poor. It seems that NGOs and development organizations have failed to target this group effectively, resulting in most of them remaining outside the development net. For the most part, these people are so destitute that they consider themselves un-creditworthy. The poor themselves do not feel they have enough resources to generate incomes to pay back loans. They therefore self-select themselves out of credit programmes<sup>33</sup>.

An exercise was conducted in four villages where Grameen and BRAC were active to determine the reasons for target group households not joining credit programmes. It was found that out of 498 target group households only 284 (57%) joined Grameen and BRAC as members. The major reason for not joining was because people felt they will be unable to pay back the loan money and will therefore be stuck with debt for which they will have to eventually be forced to sell off what little possessions they still had (49%). They refused to be burdened with still another debt. A little over a quarter of the women did not join because of social and religious sanctions that dictated that joining credit programmes and leaving the home for meetings with outside males will be a violation of social norms. Only 13% of the women said they actually wanted to join but were not accepted because other programme members felt they were high risks. Surprisingly 19 women in Grameen villages said that the rules were too complicated and they could not memorize the sixteen decisions<sup>34</sup>.

This shows not so much that Grameen and BRAC are unable to bring all poor women into their fold, but that microcredit is not necessarily the way out for all the poor. Successful microcredit operations are strongly dependent on strict screening to ensure that money that is borrowed can be repaid. Groups themselves or group leaders and NGO staff are extremely careful to screen out potential risks. Households having some assets, some steady incomes (the better off among the poor) are more encouraged to join. It is felt that even if programme-funded enterprises do not immediately generate profits, or if there are some losses, these households will be able to withstand it and make up for it through other income and/or sale of assets. It is felt that destitute households will either consume all income from funded enterprises, thereby becoming unable to make repayments or will be too poor to sustain even minor losses. Poor recoveries will reflect on overall group performance and the performance of NGO staff. Neither group leaders nor NGO staff are willing to take that risk. Thus, in order to ensure increasing disbursements and high repayments, NGO field staff and group leaders are almost sure to screen the destitute out.

Even though the weekly repayment schedule is set up to ensure that it is easy for poor people to make small repayments over a long period of time, for the really poor the weekly repayments are difficult. For the destitute and for others with difficulty in making good use of the loan, credit programmes alone therefore may not be a viable approach. Other targeted programmes are required to address their specific need. While credit programmes with extensive coverage may cover village after village, there will be great difficulty in ensuring intensive coverage in each village. There will be great gaps, therefore, in the poverty alleviation net, which will effectively hold back community-level gains, even while individual members may be improving their economic position.

<sup>32</sup> Rahman, 1996

<sup>33</sup> Wood and Sharif, 1997

<sup>34</sup> Hashemi, 1997



As the NGOs expand, they face new challenges. Their activities and strategies are receiving more critical evaluation. There are charges that they have deviated from their objectives and their groups. Many ask whether the poorest households have really benefited from NGO credit<sup>25</sup>. A large number of studies have assessed the role of NGO credit and poverty alleviation. Most studies demonstrate a positive effect of microcredit in this respect. The availability of NGO credit enhances income among the poor and with continuous membership in NGOs, some have moved out of poverty. But there is still a large group of ultra poor households who have not been reached by the NGOs. Even if an NGO branch operates in a village for a few years, not all the ultra poor households in that village get access to NGO membership.

The Impact Assessment Study (IAS) I of BRAC found that the success of BRAC is due to effective management, evidenced by generally high rates of achievement in meeting performance targets. There is, however, some disquiet with regards to membership targeting, which falls short of other performance achievements.

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<sup>25</sup> Rutherford 1995; Rahman 1996

## The Impact of BRAC : Various Research Findings

Here the impact of BRAC on various outcome and impact indicators are reviewed. Most of these data come from a long-term study being carried out since 1992 in partnership with the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR, B). The analyses compared the following three groups:

- Women who joined BRAC (BRAC members);
- Poor eligible women who didn't join BRAC (poor non-members); and
- Non-poor women not eligible to join BRAC (non-poor non-member).

Household and individual level data are compared between the above groups and between 1992 and 1995.

### • Impact on nutritional status of children

The BRAC - ICDDR, B project collected mid upper arm circumference (MUAC) information at two points of time: 1992 when the BRAC intervention was about to start and 1995 when the intervention was about three years old. Table 1.18 compares the severe protein-energy malnutrition (PEM) (represented as MUAC <125 mm) of children 6 months to 72 months of age according to their mothers' participation in BRAC. The prevalence of severe PEM has significantly declined among the children of BRAC member households but there was no such change among the children of non-members.

**Table 1: Prevalence of severe PEM of children by BRAC membership status during pre (1992) and post (1995) intervention period**

Malnutrition	Year of survey				1 vs. 2	1 vs. 3
	1992 baseline Poor individuals (n=827)	1995 BRAC Member (n=273)	1995 Poor Non Member (n=707)	1995 Non-poor non-members (n=538)		
Severe PEM (MUAC<125 mm)	23.2	12.1	21.2	11.5	p<0.01	NS

Source: Khatun et al (1998)

The same information when analysed by gender showed a significantly higher prevalence of severe PEM in females among both BRAC members and poor non-members, but not among non-poor non-members.

### • Food and family expenditure

The patterns in intra-family food distribution was explored through observations of a small sample of 25 households having both girls and boys. It showed that among BRAC member households girls more commonly received equal treatment; boys were more favoured in terms of being given culturally preferred/superior parts of the fish, chicken, meat, etc.<sup>1</sup>

The second impact assessment study (IAS II) of RDP documented detailed information on the economic impact on RDP participants. BRAC member households spent more overall and spent significantly more on consumption of food items than poor non-members. Proportion of non-food expenditures, indicating

<sup>1</sup> Roy et al, 1998

the capacity of households to spend money beyond food, was also greater among BRAC member households. Finally, the per-capita calorie intake was also significantly higher in BRAC households.

Table 2: Expenditure pattern of BRAC and non-BRAC sample households

Expenditure pattern	BRAC				Comparison (n=223)	BRAC Vs. Comp. (t value)
	Length of membership (in months)					
	1-11 (n=360)	12-47 (n=417)	48+ (n=295)	Total (n=1,072)		
Per capita monthly expenditure (Taka)	686	686	689	687	540	3.43***
% cereal to total food expenditure						
% non food to total expenditure	45.9	45.0	46.4	45.7	46.1	-0.26
Per capita calorie	37.9	35.4	34.2	35.9	32.4	3.57***
Consumption	2,279	2,304	2,342	2,306	2,182	3.37***

\*\*\* p < 0.01

Source: Husain (1998)

#### • Family planning use

Table 1.20 shows that the current use of family planning methods was greater among the currently married BRAC members than among poor non-members ( $p < 0.05$ ). BRAC members actually had higher rates of use of family planning than the non-poor non-members.

Table 3: Current use of family planning by BRAC membership

BRAC membership	No. of respondents	Current FP use %
Member	500	57.0
Poor non-member	1,194	49.6
Non-poor non-member	1,088	51.3

#### • Impact on education

Table 1.21 shows the level of education achieved by children 11-15 years old, at baseline in 1992 and then in 1995. Educational achievement was determined using a competency test. This test, which was curriculum-independent, was administered on children aged 11-15 years. A child satisfying a minimum level of competency in reading, writing, arithmetic and life skills was considered to have 'basic education'<sup>2</sup>. Educational performance improved for both member and non-member groups but the gain was much greater in the case of BRAC member households than poor non-member households and more in girls than boys.

<sup>2</sup> Chowdhury et al., 1993

**Table 4: Distribution of children (11-15 years) achieving 'basic education' by membership status in 1992 and 1995**

Sex	1992 Baseline poor individuals	1995 BRAC members	1995 poor non-members	1995 non-poor non-members
Girl	9.6 (188)	23.7 (152)	12.6 (340)	33.5 (337)
Boy	14.9 (215)	30.7 (163)	15.5 (330)	41.2 (381)
All	12.4 (403)	27.3 (315)	14.0 (670)	37.6 (718)

Figures within parentheses indicate the number of children.

• **Violence against women**

The prevalence of self-reported violence against women has been studied. A total of 2,038 currently married women aged 15-55 years were interviewed with a structured questionnaire. Women were asked about occurrence of five types of violence in previous four months: (a) physical abuse; (b) money taken against will; (c) prevented from going to natal home; (d) prevented from working outside; (e) jewellery taken against will. In the present analysis we report only the first one, which is physical violence. Table 1.22 compares the incidence of reported physical violence against women between BRAC member and non-member households. It shows a higher incidence of violence among BRAC members than among non-member households. When the incidence figures were analyzed according to length and 'depth' of membership<sup>3</sup>, however, the prevalence tended to decrease with increasing membership length. The peak in violence is reached when credit is introduced, but tapers off when other inputs, such as 'training' are offered.

**Table 5: Occurrence of physical violence during last four months by BRAC membership membership length and membership depth, Matlab 1995**

	Physical violence %
BRAC membership	
BRAC member (n=438)	8.9
Poor non-member (n=1550)	5.8
<i>X<sup>2</sup> Significance</i>	<i>p&lt;.05</i>
Length of BRAC membership	
≤ 2 year (n=185)	10.8
2+ year (n=260)	7.3
<i>X<sup>2</sup> Significance</i>	<i>NS</i>
Depth of BRAC membership	
Poor non-member (n=1595)	5.6
Only savings (n=56)	5.4
Savings + credit (n=268)	11.2
Savings + credit + training (n=119)	3.4
<i>X<sup>2</sup> Significance</i>	<i>p&lt;.01</i>

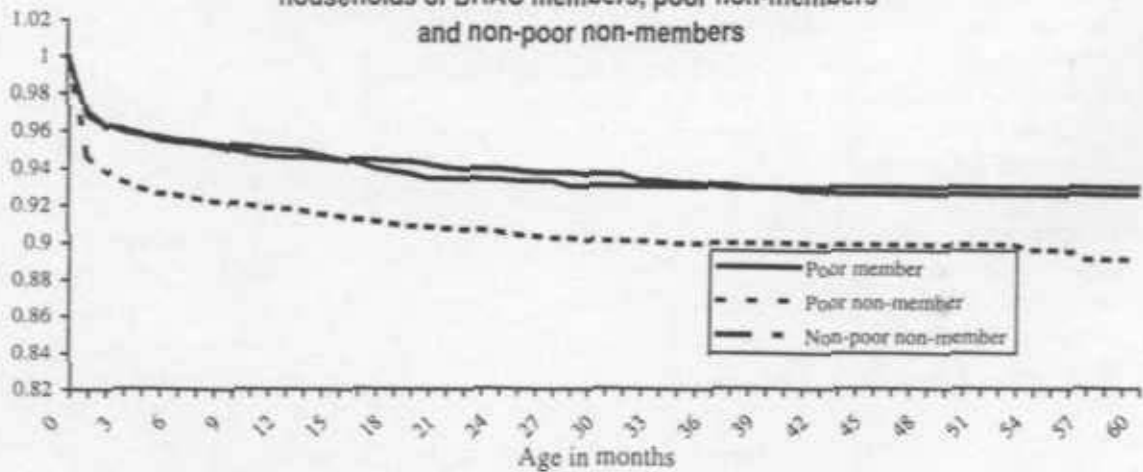
Source: Khan et al (1998)

<sup>3</sup> Chen and Mahmud, 1995

• **Impact on child survival**

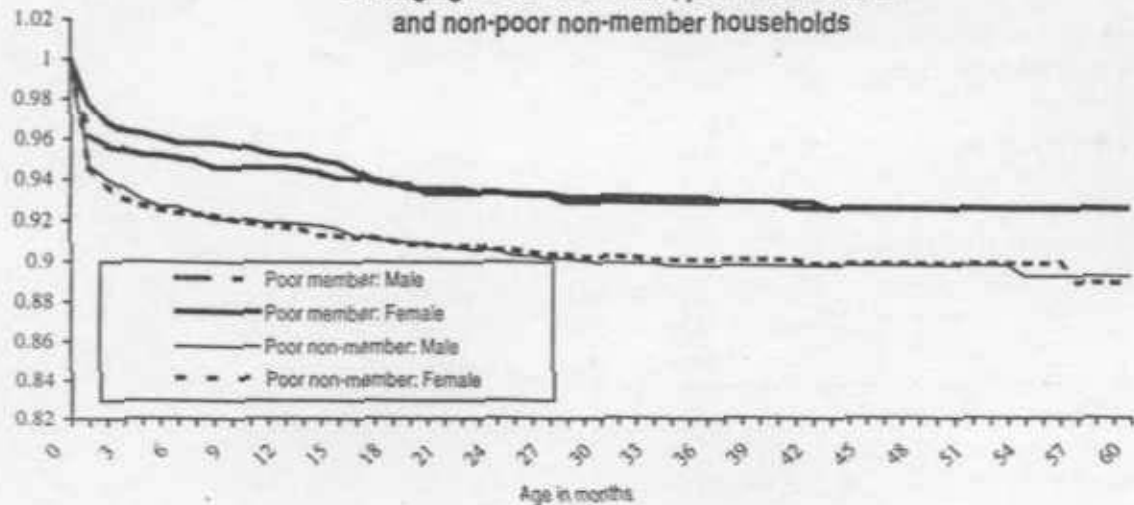
Survival rates of children belonging to BRAC member households in comparison to poor non-member and non-poor non-member households is seen in Chart 1.3. It shows that survival of children belonging to BRAC households is better than that for children from poor non-member households, and is in fact rather similar to survival of children from non-poor households. The pronounced survival advantage of children of poor members compared to poor non-members is seen for girls as well as boys (Chart 1.4). It is striking that the survival advantage associated with BRAC membership among the poor was largely the result of mortality differences in the first few months of life, particularly in the neonatal period.

**Chart 1: Life table probability of survival of children belonging to households of BRAC members, poor non-members and non-poor non-members**



Source: Bhuiya et al (in press)

**Chart 2: Life table probability of survival of male and female children belonging to BRAC member, poor non-member and non-poor non-member households**



## Jamalpur Flood Rehabilitation Report (ECHO)

### I. GENERAL INFORMATION

1. Humanitarian Organization's Name : NOVIB
2. Operation Contract Number : BAN-002-99-002
3. Title of Operation : BRAC's Jamalpur Flood Rehabilitation Program.
4. Location of Operation : Jamalpur, Bangladesh

### II. NARRATIVE REPORT

This project was designed to provide flood rehabilitation to women who were not targeted in the previous ECHO/NOVIB/BRAC flood rehabilitation project of 1998/1999. In the previous project, it was mainly BRAC group members who received flood rehabilitation inputs. Throughout Bangladesh, in response to the 1998 flood, many donors funded NGOs and these NGOs delivered rehabilitation inputs mainly to their own members. This project was designed to assist very poor women who were not associated with NGO's and thus were left out of the 1998 flood rehabilitation programs.

5. **Objectives of Operation:** To provide rehabilitation assistance to poor women towards self-sustenance, and to link the beneficiaries to development programs.

**Project Purpose:** To involve 3400 hard-core poor women in income-generating activities and employment so that they can earn a living and recover the damages incurred by the flood. The project is aimed to have the following outcomes:

- a) 1500 beneficiaries involved in poultry rearing;
- b) 500 beneficiaries involved in horticulture and grafting nursery;
- c) 500 beneficiaries involved in goat rearing ;
- d) 400 beneficiaries involved in cow rearing ;
- e) 500 homeless beneficiaries receive house building material;
- f) 500 of the above beneficiaries have slab latrines installed in their homes;
- g) 80% of the beneficiaries earn an average income of Tk. 250 per month; and
- h) 50% of the beneficiaries increase their asset holdings by 10%.

#### 6. State of implementation of operation:

##### -General explanation

**Poultry:** Each woman received 18 chickens that were two months old, along with a cage and poultry feed. The poultry feed was to last up to the time the poultry began laying eggs with a slight overlap so that the woman would have some money saved with which to buy the feed. The feed is expensive and beneficiaries could not afford to purchase it without the profit from selling the eggs. Of all the inputs, this is the most non-traditional. Traditionally poultry rearing is usually done free range and with local varieties of birds which do not have high egg yields. As this is the most unfamiliar input, it also requires the most follow up to ensure the chickens are kept healthy, properly fed and housed. After the chickens have passed their egg laying stage, they can be sold and new chickens can be bought from BRAC, if the woman decides to continue as a poultry raiser. This income generating



## Annex 9: Jamalpur Flood Rehabilitation Report (ECHO)

project provides the most consistent income week to week. The other inputs create profit less regularly. It is also less time consuming than the goats and cows which are much more labor intensive. In this project at least seventy percent of these high yielding birds are expected to lay one egg per day, so a woman with 18 birds should have 12.6 eggs per day. If the woman can earn 2.5 taka per egg, then her gross income would be 31.5 taka per day. The feed itself cost approximately 24 taka per day, which gives her a profit of 7.5 taka per day, or 225 taka per month, which is approximately 4.7 Euro<sup>1</sup> per month. These yields are conservative and it is expected many women will get higher yields, depending upon the amount of light available to the birds and the amount of noise they are subjected to.

**Cows:** This was one of the most frequently requested inputs. Cows are seen as very valuable in rural settings. Most beneficiaries asked for a female 'milk' cow, with only a few beneficiaries asking for a male cow. Females of course produce offspring and milk. Male cows are fattened and sold at Eid for at least 10,000 taka (EURO 212). Providing food for cows is very labor intensive, as it can take several hours each day to gather enough grass for them to eat. As a result of this required labor, some women having no family members who could help them gather food, were forced to decrease the time spent working at their income earning jobs in order to forage for cow feed. This reduction in work resulted in reduced pay and in some cases reduced food consumption among the women themselves. To remedy this situation NOVIB/BRAC decided to provide wheat to these women. However when the World Food Programme agreed to give all the project beneficiaries wheat for one year, BRAC did not provide wheat itself. Each cow is housed at night in a protected area, sometimes the beneficiaries bring the cow into their house to avoid theft.

**Goats:** Each goat beneficiary was to receive three goats. However in many cases the adults goats came with their offspring or were pregnant, so the three goats became 5 or 6 very quickly. The goats are protected with CI sheets that form a shelter for them against the rain and sun. Feeding them is labor intensive and the same problems arising for some cow beneficiaries regarding time spent gathering food, also arose for some goat beneficiaries. Some women reported that they would eventually sell their goats and buy a cow, which is seen as more desirable/prestigious.

**Nursery:** The nursery inputs are another unfamiliar venture for many of these women. Each beneficiary was given 30 mango saplings and fencing to protect them. After a year she will be able to sell them at a minimum of 200 taka each or EURO 4.25 totaling EURO 127 after one year. The maintenance is low and requires little work on the part of the woman.

**Housing:** This was the other most requested input. Many poor women do not live in their own homes and therefore feel very vulnerable. Housing materials were supplied to women, who were then asked to raise the ground for their houses. Some women had neighbors and relatives help them with this, others hired workers to haul mud for them. These housing beneficiaries were the only ones who were originally not targeted to receive an income generating input. It was therefore decided to modify the project and provide them each with 800 taka worth of goat - (which buys) two small goats or one larger almost adult sized goat. In this way even the housing beneficiaries could be linked with development activities through their income earning assets.

**Latrines:** BRAC had to be careful about latrine distribution because its own research showed that latrine use is low among some households who receive latrines for free. Latrines were provided to the beneficiaries having also received one of the above inputs. The beneficiaries were chosen based on their need and enthusiasm to have a latrine. Some women were very insistent about their need for

<sup>1</sup> Using the exchange rate of EURO 1 = TK 47.

## Annex 9: Jamalpur Flood Rehabilitation Report (ECHO)

latrines and it is thought they would be most likely to use them. Women who have had latrines in the past were also judged to be good candidates for a new latrine.

### -Implementation Timetable

The actual timetable was modified from the original timetable. The original gave two months each to beneficiary selection, input distribution and follow up, with a total project period of 6 months. The modified schedule maintained January and February as beneficiary selection, then ran distribution and follow up concurrently from March through July, with July being the additional and 7<sup>th</sup> month of the project.

The following percentages refer to beneficiaries having received their inputs and are cumulative..

	March	April	May	June	July
Poultry	3%	24%	57%	81%	100%
Cows	2.5%	53%	95%	100%	(100%)
Goats	6.4%	40%	90%	100%	(100%)
Nursery	0	0	0	21%	100%
Housing	0	10%	79%	96%	100%
Latrines	0	22%	79%	89%	100%

Follow up was most notable in June and July when the additional project staff were added.

Unutilized funds through June 30:

The following table shows how two inputs make up the majority of funds that went unspent through June.

INPUT	Unspent EURO as of June 30
Poultry feed	46,456
seedling	36,750
TOTAL	83,206 (representing 61% of the unspent budget)

Financially, the project spent approximately 37% of its budget in the month of July<sup>2</sup>. July was the fourth and final month of the distribution phase in which the bulk of some quite expensive items were distributed. These items include nearly 80% of the nursery inputs, and nearly ¾ of the poultry feed (poultry feed was the most costly item in the budget and the bulk of which had to be purchased in July for future distribution in July, August and September). These two items represent 61% of the unspent budget. All poultry birds receive free feed for 16 weeks. The poultry birds distributed toward the end of the project require feed distribution in August and September, which extends past the project completion date. The feed is distributed every two weeks to ensure quality. If it had been distributed in bulk, it could deteriorate as the women do not have proper long term storage facilities.

<sup>2</sup> 135,203 EURO was the balance unspent as of June 31. That does not include the reserve. This figure represents 37% of the project budget of 363,391 EURO.

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- 15 The housing beneficiaries were the only project beneficiaries not to receive an income generating asset, thus it was decided to give them two small goats (worth 400 taka each) or one larger junior sized goat (worth 800 taka each, and is a little smaller than an adult goat) so that they too could have an opportunity to generate more income for themselves.
- 16 There must be a sufficient overlap between the time that the chickens start laying eggs and the free chicken food runs out so that the women can save the money from selling the eggs to buy the chicken food. To ensure enough of an overlap, an additional 8 days of chicken food for each beneficiary was budgeted.

As well as additions to the project, some items and services originally intended were not distributed in their entirety:

- 13 No Vulnerable Group Development cards (a Programme which provides poor women with 18 months of wheat rations, funded by the World Food Program) were distributed during the project period, however all beneficiaries will receive one year of wheat rations from WFP under a different Programme entitled Women's Training Center, scheduled to begin in August 2000).
- 14 The original 5 rings to be given to the latrine beneficiaries were reduced to 3 rings as there was not an adequate budget for the 5 rings and it was thought that 3 rings would be sufficient.
- 15 Not all beneficiaries received the frequent (bi monthly) individual follow up intended during the project period. This follow-up visits monitored the beneficiary's ability to properly take care of their inputs, and provided technical assistance when needed. BRAC is providing the needed follow up after the project has ended to ensure the most careful and efficient use of project inputs.

### 7. Recipients: characteristics, number of recipients reached and participation in the operation

#### Selection:

BRAC originally identified, from an initial nation wide survey completed in February 1999, 202,144 hard-core women who are living under the poverty line. Of these women, some lived in the 5 project working areas in Jamalpur. From this pool of over 5000 women, BRAC project staff selected 3,400 women. The project staff went door to door and conducted interviews using a questionnaire that allowed BRAC to assess each woman's suitability for this project. Questions included affiliation, past and present with any NGO, food consumption, how many saris a woman had, family size and her status as wage earner in the family. To verify a woman's status, members of the community were also consulted, especially in those cases where the woman's suitability to the project was unclear.

The project selected those women who are hard core poor, single and head of household, day laborers and too poor to join an NGO.

They all qualify as:

- Those who have no homestead or cultivable land; or possess less than 10 decimal acres including homestead
- Those who are divorced or deserted by their husbands, or whose husband is disabled and unable to work