

Evaluation Report

Empowering the Powerless through Community Organizing Program (EPCOP)

Ref. # 314040

Coordinating Partner:

National Council of YMCAs of Bangladesh (NCYB)

Implementing Partners Evaluated:

 Bogra YMCA

 Kaligram YMCA

 Gopalganj YMCA

Report Submitted to:

Strømme Foundation
Bangladesh

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Acronyms

EPCOP	Empowering the Powerless through Community Organizing Program
GS	.....	General Secretary
HO	.....	General Secretary
IGAs	.....	Income Generating Activities
MFI	.....	Microfinance Institution
NCYB	.....	National Council of YMCA of Bangladesh
RLF	.....	Revolving Loan Fund
SF	.....	Strømme Foundation
TOR	.....	Terms of Reference
VTC	.....	Vocational Training Center
YMCA	.....	Young Men's Christian Association

EXECUTIVE SUMMARY

EPCOP project has been implementing by local YMCAs of Bangladesh. The project started in 1998 and is funding by Strømme Foundation through NCYB. The fund constitutes of both loan and grant respectively for the microfinance and education component of the project. Current phase of the project is implementing by 5 local YMCAs and was started in January 2005 and will be ended by December 2008. The project aims to empower the target people socially and economically through organizing them into groups and raising their social awareness and household income and employment through training and loan support.

How far the aim of the project has been achieved, what impacts it has been produced so far, how far the project activities were relevant and effective to address the priority needs and problems of the target people and what is the present status of the project – to assess all these aspects, this evaluation has been organized by the donor (SF) by employing a local consultant. Following are the key findings and broad recommendations of the evaluation, where a more detail analysis and recommendations have been provided in side the report.

Key Findings:

The project was highly relevant to the prevailing socio-economic needs of the target people and was able to produce some impacts as a project does when performs mediocre. But the project could produce more impacts if it could reach at its optimum level of effectiveness. There were several limiting factors that constraint to achieve optimal outcomes and impacts from the project. The main shortcoming or weaknesses are mentioned below:

- Improper balance between social and financial intervention; where social intervention appeared insufficient to give a required impetus to the desired social changes.
- The tripartite partnership framework: SF ↔ NCYB ↔ local YMCAs appeared did not work successfully. Unlike FS partnership with other NGOs here in Bangladesh, SF had no such direct interface with the local YMCAs who are actually implementing the project. So the actual performance of the local YMCAs remained disperse to SF. If a direct interface was there, SF could see the strengths and weaknesses of the local YMCAs in a timely manner and could take necessary measures to make them more effective and efficient in project implementation to maximize outcomes/impacts from the given support and inputs.
- The project has been suffered greatly due to weak organizational capacity of the local YMCAs in project management, especially in regard to microfinance part of the project. Planning, monitoring, supervision, financial management and control, bookkeeping and accounting, etc. are very weak.
- Lack of professionalism in local YMCAs and portrayal of a too soft and flexile image in the community has impacted very negatively on the microfinance component. Because of soft and flexile image, group members never felt pressure to repay YMCAs' loans timely while they were found very sincere to repay loans of other NGOs.
- Performance of local YMCAs in microfinance is quite unsatisfactory. Near 50 percent of the groups are virtually inactive or near inactive, 60-70 percent group member are not paying savings or very irregular in savings deposit, savings withdrawal rate is almost double than the current savings deposit rate, more than 30 percent of the outstanding loan is overdue loan, loan repayment rate is somewhere in between 60-75 percent.
- Local YMCAs are in extreme RLF crisis now. SF loan has been remained suspended because of failure to repay some due installments. If the present situation continues to prevail, local YMCAs will be in big trouble.
- Weak formation and poor nursing of the groups; lack of minimum group discipline and norms in majority of the groups.

- Poor competency of the microfinance staff.
- The role of NCYB appeared confined within norm visits to the local YMCAs. It could provide more of specific technical assistance to the local YMCAs to overcome various weaknesses that hindered their optimum performance.

Broad Recommendations:

Given the present situation of the project and the management capacity of the local YMCAs, the following initiatives are recommended broadly by the evaluator for greater effectiveness and impacts of the project:

- Revisit the tripartite partnership strategy to make it more functional and effective so that the implementing organizations remain more accountable to NCYB at the same time to SF for their individual performance.
- Bring necessary changes in the organizational policy procedures, management structure and personnel of the implementing organizations to remove their soft and flexible image.
- Undertake intensive capacity building initiative to improve the management capacity of local YMCAs.
- Make a rationale balance between education and financial component that would contribute collectively to the yield of desired impacts.
- Emphasize more on group disciplines and norms and savings accumulation through group motivation. For this purpose, senior staff of the implementing organizations should pay more field visits to the groups.
- Savings withdrawal and overdue rate must be checked.
- Arrange more training and hands on technical assistance in for the staff to improve their competency in microfinance.
- Find out a pragmatic solution to keep financing continued to the local YMCAs; at least to those who are yet in a safe situation. Otherwise, the future will get worse.

1. INTRODUCTION TO THE PROJECT EVALUATED

1.1 General information of the project

- i. Name of the Project: **“Empowering the Powerless through Community Organizing Program (EPCOP)”** (Ref. 314040).
- ii. Type of Project: A combination of *Microfinance* and *Education* components.
- iii. Implementing Partner(s): Young Men’s Christian Associations (YMCAs)

There are 13 local YMCAs operating independently in Bangladesh under the umbrella of NCYB; 5 of them are implementing the EPCOP project. They are:

1. Bogra YMCA
2. Birishiri YMCA
3. Gopalganj YMCA
4. Dinajpur YMCA, and
5. Kaligram YMCA.

- iv. Coordinating Partner: National Council of YMCAs of Bangladesh (NCYB)

Though the local YMCAs implements the EPCOP project directly in the field, however, the SF’s partnership contract is with NCYB. NCYB is thus held responsible and accountable for successful implementation of the project through local YMCAs.

- v. Country and Region: Bangladesh is the country where the EPCOP project has been implementing since 1998. By region, the project operation is extended over four districts: Gopalganj, Bogra, Netrakona and Dinajpur.
- vi. Project Duration: The project operation was started in 1998. Since then the project has been implementing phase wise. The current phase started in January 2005 and will be ended by December 2008.

1.2 Project background

The EPCOP project came to operate first in Bogra and Netrakona in 1998. Later on the project expanded in Gopalganj and Dinajpur districts in the year 2003 and 2004 respectively. As the record says, from a social commitment, NCYB in collaboration with local YMCAs formulated the EPCOP project first time in 1998. Aim was to address the socio-economic problems of the poor and vulnerable women. They observed that poor women in their working areas forced to live in an oppressed situation and were victim of various social discrimination and humiliation. They realized that lack of women access to the financial resource and lack of their social awareness deprived them from their rights and social and economic justice. So they prepared a project proposal with a view to assist the poor and vulnerable women to bring them out of poverty and social oppression and discrimination through social and economic empowerment. They submitted the proposal to Strømme Foundation (SF) for funding. To see the concept and potential impacts of the project, SF was agreed to fund the project and materialized the partnership with NCYB. This is how the EPCOP project was emerged in 1998 with a view to empower the oppressed women economically and socially through appropriate knowledge, skills and financial services. Over the period, there were small changes in the target and activities of the project considering the changes in social and economic environment of Bangladesh.

1.3 Target people/beneficiaries of the project

1. Women who rely on selling their physical labor as their only income source.
2. Wives of landless laborers who rely on selling their physical labor, rickshaw-pullers, carpenters, cobblers, fishermen, boatmen, potters, and unskilled labors.
3. Wives of marginal farmers.
4. Female headed households.
5. Widows and divorces.
6. School/college dropped out students.
7. Poor and unemployed youths.

1.4 Project goal and purpose/objectives

Goal: *“Empowering the powerless through community organizing program”.*

Objective: As described in the project proposal, the objectives of the project were:

1. To organize target people and form groups.
2. To develop community based leadership.
3. To make the youth skilled to be self-reliant.
4. To increase sustainable self-employment through income generating activities.
5. To maintain a consistent pattern of savings and provide loans and generate capital for the beneficiaries.
6. To elevate the poverty.

1.5 Expected outcomes/result of the project

1. Increased target people coverage through formation of additional groups.
2. Enhanced group disciplines, norms and dynamics in the existing and newly formed groups.
3. Increased accumulation of savings.
4. Increased disbursement of loans.
5. Improved performance of the implementing organizations in project implementation.
6. Increased participation of women with IGAs.
7. Improved knowledge, skill and awareness of the target people.
8. Establishment of vocational training centers.
9. Increased no. of self-reliant youths.
10. Skilled staff

1.6 Project activities

Microfinance Component:

1. Group formation and institution building.
2. Savings fund generation.
3. Credit support for income generation activities (IGAs).
4. Participants training on microfinance management.
5. Talent financing to the small entrepreneurs.
6. Staff training on microfinance management.

Education Component:

1. Awareness raising of the target people
2. Leadership development of the group leaders
3. Life education for adult and adolescents
4. Provide vocational training of the youths.

2. EVALUATION BACKGROUND AND METHODOLOGY

2.1 Background to the evaluation

Strømme Foundation (SF) has been providing funding support to the development activities of local YMCAs (Young Men's Christian Associations) in Bangladesh through National Council of YMCA of Bangladesh (in short NCYB) since 1998. There are 13 autonomous local YMCAs operating in different parts (districts) of Bangladesh and 5 of them are receiving funding support from SF. They are Gopalganj YMCA, Bogra YMCA, Birishiri YMCA, Dinajpur YMCA and Kaligram YMCA.

The name of project for which the 5 YMCAs are getting funding support from SF is **“Empowering the Powerless through Community Organizing Program (EPCOP)”**. Current phase of the project started in January 2005 and will be ended by December 2008. SF funding to this project comprises of both grants and loans; grant for education component and loan for microfinance component.

As per funding policy, SF has a provision of evaluating the progress, effectiveness and impacts of the project and the management capacity of the implementing organizations time to time. This evaluation has thus been organized by SF by employing a local consultant to assess the capacity of YMCAs in implementing EPCOP and to evaluate the effectiveness of the project to address the needs of the target people and to assess the impacts it has been produced for far. Out of 5 YMCAs currently implementing the EPCOP project, the evaluation was carried with 3 YMCAs. They are Bogra YMCA, Gopalganj YMCA and Kaligram YMCA.

2.2 Scope and objectives of the evaluation

As per TOR, the scope and the specific objectives of the evaluation were as follows:

- Determine the relevance and effectiveness of the project;
- Evaluate the extent of the Goal and Objectives achieved by the Project;
- Evaluate the appropriateness of the strategy and participation of the stakeholders;
- Identify the impact of the project on the target beneficiaries;
- Assess the present status of the groups in terms of group cohesion and dynamism, functional level, etc.
- Assess the level of awareness and participation of the group members in social activities;
- Assess the present state of the microfinance program;
- Assess the project planning and management capacity of the organization;
- Assess the effectiveness of the monitoring system and supervision of the project;
- Assess the bookkeeping, accounting and financial reporting system;
- Assess the commitment and competency of the staff involved with EPCOP project;
- Identify the key lessons learned and make recommendations for future improvements

2.3 Methodology

The evaluation was conducted following a participatory approach and mainly focused on qualitative analysis in order to determine the success and shortcoming of the project and to assess the capacity of the implementing organizations in systematic management of the project. The consultant mainly bases on review of project reports and documents, field visit, observation and discussion with the project participants, project staff and management committee of the implementing organizations to collect information pertinent to evaluation. In short, following is the description of the methods and activities the evaluator performed while conducting this evaluation:

- Field visit and observation: The evaluator spent 6 days in the field; 2 days in each YMCA, to observe project activities such as group meeting, saving and loan collection process, vocational training centre, dialogue session with adolescents, income generating activities and living conditions of the group members and so on.
- Meeting and discussion with the project participants: While in field visit, the evaluator discussed with the project participants to assess different aspects of the project such as their perception about project effectiveness and impacts, appropriateness and quality of savings and credit services, scope of improving the program, etc.
- Meeting and discussion with project staff: The evaluator also hold meeting and discussion with the staff to get their opinions about strengths and shortcomings of the program and to know about their competency and commitment.
- Meeting and discussion with management committee: The evaluator also hold meeting and discussion with the management committee of the respective YMCAs to know their extent of involvement and support to the program and to perceive their views about future direction of the organization as well as program.
- Review of project documents and relevant records reports: The evaluator reviewed various project documents and reports like project proposal, quarterly and annual progress reports, monthly and annual financial reports, portfolio reports, external audit reports, etc.
- Review of bookkeeping and accounting system: The evaluator had a look onto bookkeeping and accounting systems to assess their accuracy and standard. In this regard, he reviewed the cash book, general ledger, subsidiary ledger, savings register, daily collection sheet, loan application form, disbursement and recovery vouchers, and various other forms and formants used in financial management of the project.
- Review of organizational structure and management practices: The evaluator also reviewed the management practices by reviewing various policy documents, organogram, meeting minutes, etc. He also reviewed the organization of project office, inventory management system, filing system, human resources management practices, etc.

2.4 Evaluation team and evaluation period

Md. Harun-Or-Rashid, a freelance consultant experienced in social development and microfinance project evaluation, conducted the evaluation. Simon Biswas, the Microfinance Specialist of NCYB, also participated in the mission. They conducted the evaluation during February-March 2007; where the field work took place during February and it went to March to prepare the evaluation report.

2.5 Structure of the report

The report up to section 4 has been designed as per SF reporting format. However, the evaluator constructed additional sections in the report: section 5 to 7 on each of the local YMCAs evaluated reflecting more of the present situation of their programs so that they can see their individual performance status.

3. SUMMARY OF EVALUATION FINDINGS AND ANALYSIS

3.1 Project's relevance and effectiveness

Relevance: A project must have a direct relationship with the prioritized needs and problems of the target people that is obvious. The assessment of “*relevance*” of a project is a measure of the degree of that relationship to justify that the investment and effort behind the project was worthwhile.

As the evaluator assessed the relevance of the EPCOP project based on discussion with the target people and observation of their livelihood and living conditions physically, in overall it can be said that the project was highly relevant to the needs and problems of the target people. In the project proposal, problems like lack of income or low income, unemployment, poor life skill, lack of access to financial resources and other means of income, etc. were shown as the main ground for including the microfinance component. In reality these were identified as the main economic problems of the target people that persuade poverty in their household. Similarly, issues like superstition, dowry, early marriage, lack of social awareness, social injustice and discriminatory practices of the society towards women, etc. were shown as the ground for including the education component in the project. In reality these problems are still prevailing and are considered as the main constraints toward women empowerment and poverty alleviation.

Effectiveness: Having said that the project was highly relevant, now a question arises is - how far the project has been successful to meet and reduce the stated needs and problems of the target people – which is virtually a measure of project “*effectiveness*”. From that perspective, the evaluator will conclude that the EPCOP project was not adequately effective. This comment has been made as because the project in most cases could not fulfill or meet the needs and problems of the target people at the desired level. No doubt, there were some benefits and some needs were fulfilled; but that was insignificant in depth and breath. Except Bogra YMCA, the target people did not realize any such major difference in their livelihood and living conditions due to this project.

Why the project was inadequately effective despite of high relevance? Several reasons were identified for why the project was not so effective despite its high relevance to the stated needs and problems of the target people. Of them, insufficiency and inadequacy of project activities in addition with poor efficiency and management capacity of the implementing organizations were identified as the most crucial ones.

According to group members, there needed more of credit and training support on a timely manner from the microfinance component to address their economic needs and problems. But compared to need, supply of loans and training was inadequate. The small loans they received were not sufficient to start IGAs that can generate adequate income; where a few batches of training that were conducted by the implementing organizations could able to train only a small percentage of the group members.

Similarly, the planned and performed activities under the education component were too inadequate to the actual needs. Under the education component, there were only a few batches of leadership and sewing training for the group members. No other activities or processes were adopted as such that directly contribute to raise awareness of the target people on social issues like human rights and gender and economic justice, etc. which were identified as the main constraints to poverty reduction and women empowerment.

Vocational training, a major element of the education component designed for youths and adolescents was not also so effective in some cases viz. Gopalganj YMCA; where in some other cases, viz. Bogra and Kaligram YMCA, though the selection of trades were appropriate but the scale of the program was too small.

Apart from insufficiency and inadequacy factors, inefficiency and poor management capacity of local YMCAs have also been identified as the main limiting factors to the project effectiveness. A perception of the evaluator is that more problems and needs of the target people could have been served/meet with the same level of inputs and activities if the management capacity and efficiency of the local YMCAs were good.

Inefficiency and poor management capacity of local YMCAs hit hard mainly on the cash flow management of their microfinance program. As a result, some of them failed to meet the loan demands of the target people and to maintain repayment schedule with SF. SF in response suspended its loan to all local YMCAs which has aggravated their RLF crisis. As a consequence, they are in a very bad position now in microfinance. These factors also demoted the overall effectiveness of the project.

3.2 Achievement of planned outputs/outcomes

The following table in the left-hand column describe the anticipated outputs/outcomes as stated in the project proposal and in the right-hand column the achievement of the results/outcomes based on own judgment of the evaluator as well as based perception of the target people.

Planned Outputs/Outcomes	Achievement Analysis
1. <i>Increased no. of target people coverage through formation of additional groups.</i> (125 new groups and 2,349 group members targeted for the 2005)	Achieved partially as because some new groups were formed by all YMCAs where by some new members come to get access to the project services. But the total groups and total no. of group members were not changed remarkably as because of high dropout in the old groups.
2. <i>Enhanced group disciplines, norms and dynamics in the existing and newly formed groups.</i> (This result was not mentioned directly in the proposal; the evaluator deduced it as a relevant outcome after review of project activities)	Not achieved. Because the group disciplines, norms, cohesion, etc. are at distressed stage in more or less in all 3 YMCAs evaluated. Group formation and nursing is not going properly; and adequate emphasis is not there on institution building.
3. <i>Increased accumulation of savings.</i> (Target was Tk.9,712,045 during the year 2005)	Partially achieved as the amount of savings has gone to increase compared with the base year of starting this phase of the project. But the way the savings was supposed to increase that was not achieved. In 2006, savings withdrawal was higher than savings deposit in case of Gopalganj and Kaligram YMCA. In Bogra YMCA the margin was very small. Currently, on average more than 50 percent group members are declined to pay savings or very irregularly in paying savings.
4. <i>Increased disbursement of loans.</i> (Target was to disburse Tk.9,500,000 among 1,500 group members)	Achieved partially. In fact loan disbursement showed a declining trend compared with previous years. Decline in savings deposit, while at the same time increase in savings withdrawal; increase in loan overdrew, and finally the suspension of SF loan resulted into a severe cash flow management in local YMCAs. So they could not disburse the targeted amount of loans.
5. <i>Talent financing to encourage small entrepreneurs.</i>	Achieved partially in quantitative terms. But other than some large size loans, no such remarkable difference has come into observation with this

Planned Outputs/Outcomes	Achievement Analysis
(Target was to disburse Tk.2,000,000 among 100 group members)	financing scheme. It seems that business promotion and market linkage training were needed there for the small entrepreneurs.
<p>6. <i>Increased participation of women with IGAs.</i></p> <p>(This result was not mentioned directly in the project proposal; however, the evaluator deduced it as one of the most relevant anticipated result after reviewing the project documents).</p>	<p>Not achieved as per expectation because giving loan is not enough to ensure women participation in economic activities. There was no such planned initiative from the project to involve women with IGAs. So in most cases women were handover their loans to the male members of the family who are mainly responsible for household earning. However, in some cases women were used the loans directly to do the IGAs.</p>
<p>7. <i>Improved knowledge, skill and awareness of the target people.</i></p> <p>(Target was 690 group members will be trained on social issues, leadership and primary healthcare)</p>	<p>The expected result was achieved partially, since the targeted number of training was conducted. But the number of training was not sufficient to attain the desired results. There needed more of training and hands on support.</p>
<p>8. Establishment of Vocational Training Centers (VTCs).</p> <p>(4 VTC will be established in 3 years and self-sustained, 165 youth will be skilled and self-employed, 990 family members will be benefited).</p>	<p>Achieved in quantitative term but not in quality and from expected results. Though Bogra and Kaligram YMCAs somehow did better in VTC operation but the performance of Gopalganj YMCA was unsatisfactory. Trade selection and community participation to this program requires improvement.</p>
<p>9. Improved knowledge and awareness of the adolescents about human rights and justice, reproductive health, environmental sanitation, hygiene, etc.</p> <p>(This result was not mentioned in the project proposal. The evaluator formulated it as an anticipated result of the newly added 'Shanglap' program under the education component).</p>	<p>Shanglap program has been added newly under the education component to promote social and health awareness of the adolescents. Within short period of time, the program has become popular in the community and has made a good progress toward expected results. Parents are showing greater interest to send their daughters or sons in the dialectical sessions in 'Shanglap' centers where discussions are held on social, health and environmental issues.</p>
<p>10. <i>Skilled and capable staff are in place to run the project efficiently and systematically.</i></p> <p>(14 staff will be appointed newly, management training will be provided to 45 staff)</p>	<p>Achieved in quantitative term but not in qualitative term. The level of skill and competency of the staff, especially those who are involved with microfinance, has yet remained quite below the mark. There needs substantial improvement in knowledge and skill of these staff.</p>
<p>11. <i>Improved performance of the implementing organizations in project implementation.</i></p> <p>(This result was not mentioned directly in the project proposal. However, the evaluator deduced it as a subsequent process outcome from various organizational development initiatives taken from the project).</p>	<p>Not performing expectedly. The organizational capacity of local YMCAs has been remained low in systematic and professional management of the project. There needs significant improvement in almost all the areas of management such as planning, management, supervision, monitoring, accounting, financial reporting, etc.</p>

3.3 Actual and expected achievement of project objectives

Objectives	Achievement Analysis
1. To organize target people and form groups.	Targeted no. of new groups were formed, while at the same time, many of the old groups became inactive or near inactive. So the net achievement was insignificant.
2. To develop community based leadership.	If considered the women as the main target to bring them at community level leadership, it was not visible. However, some of the group leaders showed some progress in their dealing and thinking ability.
3. To make the youth skilled to be self-reliant.	Various trade-based skill training provided to the targeted number of youths. But how far they become self-reliant by being using the skilled learned that requires a close study. Apparently some of the trained youths could manage to earn something by using the skills learned.
4. To increase sustainable self-employment through income generating activities.	Obviously there had some achievement on this objective. But the expected and actual achievement differs greatly. Because the coverage of loan and training was inadequate, and the loan amount was small and there was no decisive initiative for women participation in IGAs.
5. To maintain a consistent pattern of savings and provide loans and generate capital for the beneficiaries.	Not achieved as the way it was expected. Because savings deposit was dropped significantly more or less in all local YMCAs evaluated; where, at the same time, the rate of savings withdrawal came to increase. Therefore, the net savings accumulation over the period was not satisfactory. Same is the situation of loan disbursement. Loan disbursement was dropped remarkably compared with the previous years because of RLF crisis emerged from savings deposit fall and suspension of SF loan installments.
6. To elevate the poverty.	Not in a state to measure the poverty and there was no baseline saying what was the poverty level of the target people when the project was commencing. However, the national poverty index shows that there was a reduction in absolute poverty over the last few years.

Comments on objective statements: Objective statements were not written as the ways those shall be written. Some were too narrow and action-like statements viz. organize target people, form groups, maintain consistent pattern of savings, provide loans, etc. As the objectives are virtually expected results of a project, they should be written in such way that will answer - what benefits will be generated if we provide loans, if we provide training, etc. So there needs more concentration next time while developing project proposal to describe objective properly.

3.4 Achievement of the project goal

Goal statement: Project goal was narrated as: *“Empowering the powerless through community organizing program”*.

Comment on goal statement: To the evaluator, the goal statement had to define in a more measurable term reflecting desired changes in the livelihood and living conditions of the target people. It is now too vague and difficult to judge or measure empowerment. There should have been a set of specific indicators to measure the empowerment of the target people.

Analysis of goal achievement: However, if the evaluator has to evaluate project goal based on the way it has been described now, he will emphasize on two aspects: a) economic empowerment, and b) social empowerment. The economic empowerment in a sense – how far the target people were able to fulfill their basic needs to live a comfortable life by being improving their living conditions out of increased income from the economic activities they were supposed to do by using loans taken from local YMCAs. Where the social empowerment will be realized through collective strength of the target people to resist oppression and social discrimination against women. These two aspects together can make the women truly empowered. As the evaluator assessed the achievement of project goal from that aspect, it would be concluded that the project is yet to reach the goal. There needs continuity of the project for at least several more years along with some adjustments in the project activities and service quality of the local YMCAs. There needs to bring some new dimensions in the social development activities that really contribute to the empowerment of the target people. Also there should have been ensured a greater participation of the target people at all different stages of project implementation; where improvement of organizational capacity of local YMCAs in project management is a must.

3.5 Project impacts

Despite of various shortcoming and limitations, however, the evaluator realized some impacts of the project regardless how significant those were. The impacts were:

- Some improvement in awareness and knowledge of the poor women.
- Increased mobility of women.
- Increased opportunities of the poor women to meet their household needs and emergencies by using savings and loans.
- Opportunities to repair or construct house, buy household goods and productive assets like rickshaw, van, sewing machine, fishing net, etc. by some women by using their loan money.
- Some opportunities to raise household income and employment by the borrower members from the investment of loans.
- Involvement of some women freshly in household economic activities like homestead gardening, cow and poultry rearing, etc. by using loans.
- Some decrease in seasonal income vulnerability and unemployment in many of the borrowers' household.
- Decrease in dependency on traditional moneylenders.
- Some decrease in financial dependency of women on men having access to savings and loans.
- Some changes in awareness and attitude of the adolescent girls and boys participated in the Shanglap program.
- Some earning opportunities obtained by youths trained on vocational skill (especially in case of Bogra YMCA) to earn something for their family.

3.6 Present state and sustainability of the project

Present state of the project: The education component is in good state in all YMCAs. All the planned activities for the year 2006 were performed within time schedule which was mainly a few batches of leadership and social awareness training for the group members. Project staff conducted the planned number of training. There was no module to conduct the training. So, the quality of training is a concern. VTC, another main activity under the education component, is running well in Bogra and Kaligram YMCA but not in Gopalganj YMCA. Advice has been made to Gopalganj YMCA to stop VTC as soon as possible. The newly added 'Shanglap' program under the education component is in good pace. Community people appreciated this program highly.

The microfinance program is not in a good state. The situation is very worse in case of Gopalganj YMCA. In general, the groups are not in a well-functioning stage. Many groups are existing by name; there are no meeting, savings and loan transactions in these groups. Estimated that on average 30 percent groups are inactive or near inactive. Members' dropout and savings withdrawal rate has been increased by many times. About 50 percent group members across all YMCAs are either stopped or very irregular in paying savings. As a result, savings accumulation has been dropped straight. In 2006, the net savings accumulation was (-) negative in Gopalganj and Kaligram YMCA, while it was marginally positive in Bogra YMCA.

Loan disbursement and realization both are in declining trend; loan overdue is increasing fast in all YMCAs. Currently the overdue rate is somewhere in between 25-30 percent. Actually, the overdue rate will be much higher if the installment delinquency is taken into account; which is not accounting currently by the local YMCAs while computing their loan overdue. To keep the overdue rate low, staff are increasingly adjusting the savings with the overdue loans. This has created a negative effect on RLF to reduce its size. All the local YMCAs are now in extreme RLF crisis. SF loan to local YMCAs has been remained suspended on the ground of failure to repay some of the due installments by the Gopalganj YMCA. This has further increased their RLF crisis. If the present situation prevails, Kaligram and Bogra YMCAs will also be in big trouble soon. Finding an alternative to supply RLF to the local YMCAs is thus an urgent issue to think seriously by all concerned.

Sustainability of the project: Education component, whatever the scale is, will not sustain if the grant support from SF come to stop. Because the local YMCAs are not in a position to run this component by own finance. Regarding microfinance component, Bogra and Kaligram YMCA may continue the operation in a limited scale if the suspension of loan support from SF continues but it will not sustain in case of Gopalganj YMCA as the organization is already in a big trouble. However, in general, the lack of professionalism and absence of adequate systems in planning, supervision, monitoring, and financial management will be remain as a big threat to the long run sustainability of the microfinance operation in YMCAs, if the weaknesses are not overcome.

3.7 General strengths and weaknesses of local YMCAs and the project

Strengths

1. Membership-based organizations.
2. Social recognition as benevolent organizations.
3. Social acceptance.
4. Welfare activities.
5. Federated under NCYB.
6. Own revenue generating activities like school (Bogra YMCA), ice factory (Kaligram YMCA).
7. Good head office infrastructure.
8. Good relationship with communities and local bodies.
9. Good internal networking.
10. Long experience in social development activities.
11. Elected Board of Directors run the organizations.

Weaknesses

1. Very soft and flexible image in the community.
2. Lack of professionalism.
3. Lack of competitive attitudes
4. Weak formation of group and after formation poor nursing of the groups.
5. Lack of basic norms and disciplines in the groups.
6. Lack of proper motivation to the group members.
7. Low quality service.
8. Weak follow up and supervision of the programs.
9. Lack of appropriate monitoring system and tools.
10. Lack of appropriate project planning and management systems.
11. Weak financial planning, management and control mechanism.
12. Weak bookkeeping and accounting system.
13. Poorly documented organizational policy procedures.
14. Poor competency and efficiency of the staff (microfinance staff).
15. Lack of appropriate performance appraisal of the staff.
16. Inadequate staff development process.
17. Lack of internal review system of strengths and weaknesses
18. Low salary structure.

3.8 Lessons learned

- Portrayal of a too flexible and my dear image of local YMCAs in the community negatively influenced the behavior of their group members. While the group members are very sincere to attended group meeting of other NGOs and serious to repay their loans timely (as many of them have membership with other NGOs), an apposite gesture observed with them in regards to local YMCAs.
- To encourage women participation in economic activities, providing loan is not just enough. There needs more of follow up, training and technical advice for them to get them really participated in the economic activities.
- Microfinance in Bangladesh is now more competitive and the clients (target people) are more sensitive to the service quality of NGO-MFIs. To withstand is such a competitive market situation, service quality of local YMCAs will be a big challenge.
- Poor competency of staff and lack of proper management systems in local YMCAs undermine their success and growth potential in microfinance.
- To alleviate poverty in oppressed and poor households, microfinance alone does not work. A rationale combination of social activities with microfinance is essential to bring the expected results.
- Local YMCAs are too vertically focused and slow in adaptation.

4. GENERAL RECOMMENDATIONS

For Donor (SF)

1. To have a measurable impact and to demonstrate greater social responsiveness, there should have a rational balance between microfinance and education component of the project.
2. SF needs to think about and formulate a better strategy to support local YMCAs more effectively keeping the partnership with NCYB up-hold. Under the present strategy, all local YMCAs come to suffer from the poor performance of any one. For example, FS loan has been remained suspended to all local YMCAs on the ground of failure to maintain SF loan repayment schedule by Gopalgonj YMCA. This has put all other YMCAs in a bad situation.

For NCYB

3. NCYB must play a strategic role at this stage to overcome RLF crisis in local YMCAs that mainly emerged from suspension of SF loan.
4. NCYB officials must increase their field visits with an objective to provide technical assistance to the local YMCAs rather than making the visit as a nominal official norm. It must develop and execute a master plan on capacity building of local YMCAs.

For local YMCAs

5. Target people selection and group formation must be done very carefully with involvement of senior staff. Emphasis should be placed on group nursing after formation of groups to bring there minimum norms and disciplines.
6. The existing groups must be reorganized eliminating the inactive groups and merging the groups with fewer members to have a fresh list of functional groups.
7. Savings refund/withdrawal rate must be checked. Special measures should be taken to increase savings deposit. 'Contract Savings' may be introduced with upper poor.
8. Follow-up and supervision of groups by the senior staff must be strengthened.
9. Loan size may be increased keeping harmony with the productivity and utility of the target people and microfinance market competitiveness.
10. Loan interest may be reduced at 12 percent to remain competitive in the market and to comply with govt. decision.
11. There should have more training for the group members. Quality of the training must be improved.
12. Service quality must be improved in terms of timely loan disbursement, loan processing, proper recording and accounting of loans, etc.
13. Loan overdue rate must be checked.
14. There should have been better planning and management tools for staff monitoring, their work planning and reporting, daily tracking of savings and loan collection comparing the achievement with the target, and so on.
15. Bookkeeping, accounting and financial management system must be improved.
16. Financial reports like income statement, balance sheet and portfolio report must be introduced at the branch level (application for Bogra YMCA).
17. Productivity and efficiency of staff must be increased by setting target.
18. Staff performance must be appraised in a more rigorous way and should be linked with program performance. Good performing staff should be rewarded properly.
19. Staff development process should be strengthened provisioning more training and technical assistance.
20. Attention should be given to increase community participation further.

**Report on
Bogra YMCA**

5. REPORT ON BOGRA YMCA EVALUATION

Bogra YMCA has longest relationship with SF. Since 1998, it has been operating the EPCOP project. This section of the report presents the analysis of present status of the EPCOP project implements by Bogra YMCA and its capacity in systematic management of the project.

5.1 Evaluation of the project

EPCOP in Bogra YMCA consists of microfinance and education components.

MICROFINANCE COMPONENT

Component description and present state

Bogra YMCA microfinance component consists of two major activities: **savings** and **credit**. It forms group with the target people to implement the microfinance activities.

Target people and their socio-economic profile: All categories of poor: such as hardcore poor, poor and upper poor were found included in the groups formed by Bogra YMCA. Their livelihood mainly depends on wage laboring in agriculture, construction and rural transport. Some of them involved with small business, cow and poultry rearing, homestead gardening, etc. Monthly income ranges in between Tk.2,000-Tk.5,000 (US\$ 40-70) per month. Income varies greatly depending on season. Men are is the principle income earner in most of the households. Women play a supporting role in man-controlled household economy. Housing condition is as usual poor; mostly thatch house and small in size where 5-6 persons live in crowded. Many of the group members are lack of sanitation facilities. Majority of the group members are illiterate. Majority of them have multiple memberships with others NGO programs.

Coverage of the microfinance program: The present coverage of the microfinance program of Bogra YMCA as per 31 January '07 report is given below:

Total no. of groups	:	162
Total group members	:	2,851 (Male 22, Female 2,829)
Average member/group	:	18
No. of village covered	:	-
Union coverage	:	-
Thana coverage	:	3 (Gabtali, Gobindagonj, Sariakandi)
District coverage	:	1 (Bogra)
Operating unit/branch	:	3
Total staff	:	14
- Program Coordinator	:	1
- Manager	:	3
- Field Assistant	:	9
- Peon	:	1

Functional status of the groups: Compared to other two YMCAs evaluated, the groups formed by Bogra YMCA are in better position. Group meeting is more or less regular. Savings and credit functions are held in most of the groups. However, the total group members in many groups were found less than optimum target. Field staff pay visit to the groups on weekly basis and sometime make discussion on important social issues with the group members. Important decisions made in the group meeting were found recorded in the resolution book maintained by the groups.

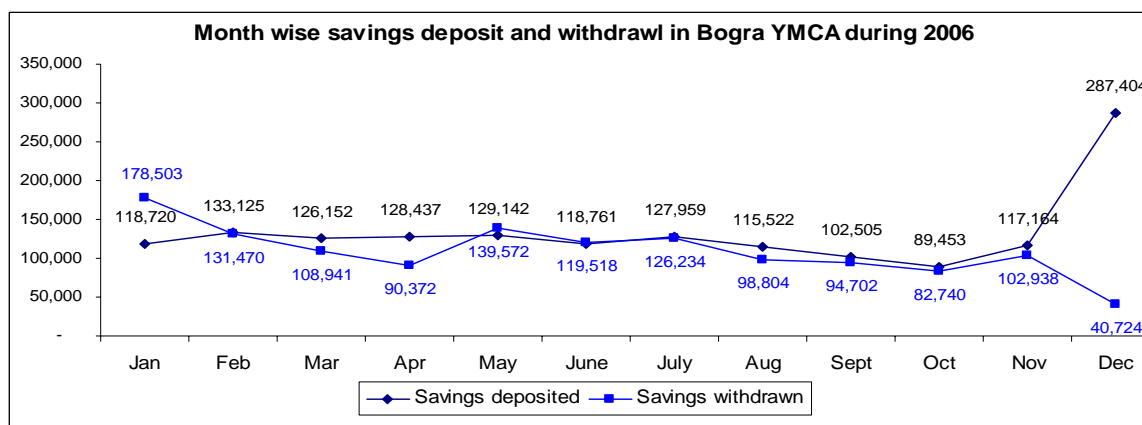
Savings

Savings objective, product features and present state: Capital formation in the targeted households is the objective of savings function of Bogra YMCA's microfinance program. It collects minimum of Tk.10 from each member on weekly basis. They called it 'mandatory' savings. All members must to pay the mandatory savings otherwise they are in exceptionally bad situation. Interest has been paying on members' savings following the rate pays by commercial banks. The present status of members' savings with Bogra YMCA is as follows:

Present state of the savings in Bogra YMCA (As on 31 Jan '07):			
-	Total members	:	2,851
-	Total savings held with the organization	:	Tk.4,245,985
-	Average savings/member	:	Tk.1,489

Savings deposit and withdrawal trend: During 2006, the savings deposit and withdrawal was almost equal having a very small net of savings at the end of year. The table and graph below shows at a glance savings deposit and withdrawal in Bogra YMCA during 2006.

	Jan '06	Feb '06	Mar'06	Apr'06	May'06	June'06	July'06	Aug'06	Sept'06	Oct'06	Nov'06	Dec'06
Savings deposited >>	118,720	133,125	126,152	128,437	129,142	118,761	127,959	115,522	102,505	89,453	117,164	287,404
Savings withdrawn >>	178,503	131,470	108,941	90,372	139,572	119,518	126,234	98,804	94,702	82,740	102,938	40,724
Net Balance >>	(59,783)	1,655	17,211	38,065	(10,430)	(757)	1,725	16,718	7,803	6,713	14,226	246,680



Total deposit and withdrawal of savings in Bogra YMCA in the year 2006

- Total savings deposited	:	Tk.1,594,344
- Total savings withdrawn	:	Tk.1,314,518
- Year's net savings after withdrawal	:	Tk.279,826

The statistics show that savings function is not in a good situation in Bogra YMCA. After 10 years of savings service, per member savings has been remained below Tk.2,000 and the savings deposit trend has been declined remarkably. Apparently three reasons have been identified for decline in savings deposit and increase in savings withdrawal: (a) increased adjustment of savings with overdue loans, (b) failure to supply loan timely to the group members that de-motivate them to save; rather withdraw savings, (c) Lack of proper emphasis on savings by the field staff. Whatever the causes, the organization needs pay due attention to increase savings and to keep the withdrawal within control.

Credit

Loan product and features: Bogra MYCA provides loan to the group members with an objective to support their income and employment generation. It offers only one type of loans called as 'general loan' having the following features:

- 1 year loan repayable through 46 weekly installments
- Interest: 15 percent (flat rate)
- Loan ceiling: lowest Tk.1,000, highest Tk.20,000
- First loan: highest Tk.4,000
- Loan amount increases by Tk.2,000 in every next loan
- Only one loan can be outstanding at a time with a borrower
- 15 percent savings is a prerequisite to take required amount of loan

Use of loans by the members: Group members used the loans mostly for buying or leasing household productive or business assets like leasing agricultural land, buying rickshaw, van, cow, poultry, etc. or doing small economic activities or small business. A small percentage of loans were used for consumption, house repairing, medical, clothing, etc.

Group members' view about loan product: Group members have no major complain about the loan product. However, they are concerned regarding delay in loan processing, which takes nearly one month to get a loan. They also expect that the first loan will be a bit bigger and the interest will be lowered.

Staff view about loan product: Staff also feel that Bogra YMCA have to reduce loan interest to comply with govt. decision and stay competitive in the microfinance market as recently many NGOs in the area bring down their interest at 12 percent. They are also in favor of making the first loan highest Tk.7,000.

Current state of the credit program: The overall status of the credit program as on January 2007 has been given below:

Total members	:	2,851
Total borrowers	:	1,670
Borrower to member ratio	:	2:1
Total outstanding loan	:	Tk.5,928,035
Average outstanding during the year 2006	:	Tk.6,164,744
Average loan size during the year 2006	:	Tk.3,550
Amount of overdue ¹ loan	:	Tk.123,950
No. of defaulter borrowers	:	99
Total borrower to defaulter ratio	:	17:1
Loan repayment rate	:	97.90%
No. of Field Assistant (Loan officer)	:	9
Member/Field Assistant	:	317
No. of active borrower/field worker	:	186
Average outstanding loan portfolio/field worker	:	Tk.658,670

¹ Loan overdue includes the amount of loan with defaulter borrowers who exceeded their loan period. The overdue from missing installments by the borrowers within loan period are not included here. Therefore, actual overdue will be much bigger than the amount shown here.

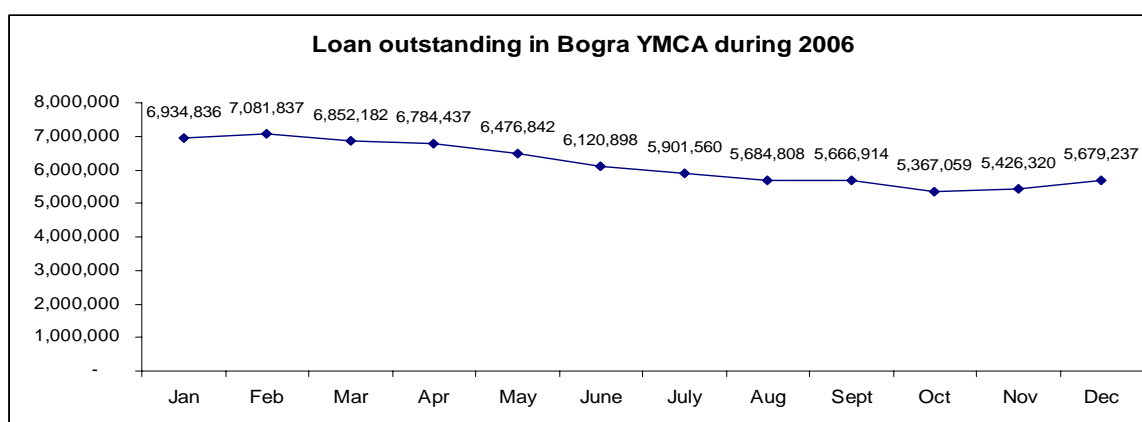
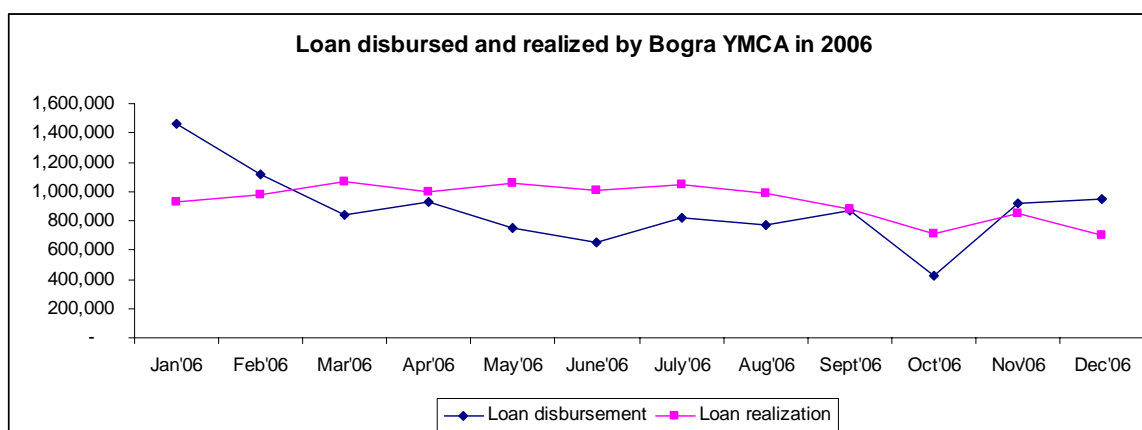
Performance analysis of the credit program: One may be interested to know how was the performance of Bogra YMCA in credit program compared with industry standard and compared to previous years. A short analysis is given below based on a few key variables:

Taking the 'outstanding loan portfolio/ field worker' as a key determinant of performance, it can be said that Bogra YMCA is a below performer. The best practice on this variable, i.e., loan portfolio per credit officer in Bangladeshi NGO-MFIs is Tk.15 lac and above. So the performance of Bogra YMCA is quite below. The portfolio outstanding of its Field Assistants is now Tk.658,670 only. Similarly its performance on other key variables like 'number of active borrower per loan officer' is also quite low. While the best practice is 300 and above active borrowers/credit officer, in that case they maintain 186 active borrowers per Field Assistant.

Loan disbursement and realization: Total amount of loan disbursed, average outstanding and realization of loan – all were declined in Bogra YMCA in 2006 compared with previous years. Following table and graph shows the trend of loan disbursement, realization and outstanding of Bogra YMCA during 2006.

Loan disbursement and Realization in Bogra YMCA in 2006

	Jan'06	Feb'06	Mar'06	Apr'06	May'06	June'06	July'06	Aug'06	Sept'06	Oct'06	Nov'06	Dec'06	Total
Loan disbursement	1,459,000	1,120,000	841,000	929,000	747,000	649,000	824,000	769,000	866,000	425,000	922,000	951,000	10,502,000
Loan realization	929,326	972,999	1,070,657	996,743	1,054,569	1,004,944	1,043,338	985,752	883,894	714,855	851,739	698,083	11,206,899
Loan outstanding	6,934,836	7,081,837	6,852,182	6,784,437	6,476,842	6,120,898	5,901,560	5,684,808	5,666,914	5,367,059	5,426,320	5,679,237	73,976,930



So the table and graph shows that performance of Bogra YMCA in loan disbursement and realization and to maintain a handful outstanding portfolio is in declining trend. Several reasons

were identified for that such as fund crisis due to decline in savings deposit and increase in savings withdrawal as well as because of suspending loan installments from SF.

Also 31 Jan '07 balance sheet shows that Bogra YMCA also took Tk.662,000 loan from RLF; and invested another amount of Tk.725,668 to buy capital assets for the organization. This also went to reduce the fund available for disbursement of loans.

Loan overdue: Currently as on 31 Jan. '07, Tk.123,950 has been shown as loan overdue. But the actual figure will be much higher if the installments delinquent by the active borrowers whose loan period has not yet expired are included, which is not currently calculating by Bogra YMCA.

Overall comment on microfinance program

Though the performance of Bogra YMCA is below expectation, however in overall it can be said that its performance is better than other two local YMCAs visited. But there is no reason to satisfy its donor with this performance.

EDUCATION COMPONENT

Training and '**shanglap**' are the major activities under the Education Component of Bogra YMCA.

Training

Types of training: Bogra YMCA arranged two types of training: (i) *skill development training* (they called it vocational training) for the adolescents; and (ii) *awareness building training* for the group members.

Achievement: The organization conducted the targeted number of training in 2006. A total of 96 adolescents provided with skill training and a total of 70 group members provided with awareness training during the year using the budget Tk.215,882 obtained from SF.

Training provided by Bogra YMCA to the EPCOP project participants during 2006

Adolescents trained		Group member trained	
- Block Batik	21	- Leadership development	15
- Hand painting	24	- Mother and child care	15
- Nakshikantha	51	- Vegetable cultivation	20
		- Sewing	20
<i>Total</i>	<i>96</i>	<i>Total</i>	<i>70</i>

Effectiveness of training: Vocational skill development training was quite systematic and was effective. 2 full-time instructors and 1 assistant conducted the training 3-month long skill training on Block Batik, Hand Painting and Nakshikantha. Trainees were satisfied with the skill they learned. Some of them could be able to earn something by using the skill learned from the courses. However, the 3-day long awareness training for the group members was seemed not much effective. Field level staff (branch managers) conducted this training without any training module or guidebook.

Relevance and sufficiency of training: Skill development training was relevant in a sense learners were satisfied. However, the number of youths trained was very small. More youths are interested to participate in this program. Where, in regards to awareness training, it was difficult to assess the relevance. Because there was no training module to see what contents were covered in this training and participants could not remember exactly what they learned from this training. However, in number the training was also insufficient compared with the total participants of the project.

Future training needs: Future training need should be determined through discussion with the project participants. Apparently training on importance of savings, importance and benefits of timely repayment of loans, business planning and management, role of women in household economy, and some awareness training on health, hygiene and sanitation are important for the group members of Bogra YMCA.

Shanglap

Shanglap is a learning forum of adolescent girls and boys. Usually 20-30 adolescent girls and boys are enrolled in each *Shanglap* centre. They meet 6 days a week for about 2 hours to discuss social issues, reproductive health, life skill, etc. Literacy and numeracy are also provided to the learners during 1 year course. The program is newly added under the education component from October 2006.

Present state: As per target, Bogra YMCA opened 5 *Shanglap* centers. A total of 93 adolescent girls and boys are enrolled in these centers. The arrangement and management of *Shanglap* centers appeared good. They received additional grant of Tk.169,000 from SF to run the 5 *Shanglap* centers.

Community reaction: Community people appreciated the *Shanglap* program. They want more of *Shanglap* centers in the area.

Future scope: *Shanglap*, being an effective program deserve expansion. The evaluator is recommending SF to consider expanding the *Shanglap* program to have a greater and long run social impact.

Overall comment on education component

Bogra YMCA is relatively good in management of the education program. But the program is relatively small in scale. To have a measurable social impact, the size of the education component needs to scale up with diversify in the activities.

5.2 Assessment of organizational capacity in project management

Within limited scope of this evaluation, the evaluator looked at several key areas of organizational capacity of Bogra YMCA in systematic management of the project. Following are the findings on different aspects of project management capacity he looked at:

i. Project planning and management: Proper implementation of a project is ensured if there are adequate systems and practices of project planning and management. This includes things like monthly work plan, monthly activity report, monthly coordination meeting, etc. As said that Bogra YMCA needs to introduce many of these practices and tools as those are not exist now in this organization. Although microfinance staff prepare the monthly work plan but they never compare the actual achievement with the plan.

ii. Monitoring and supervision: Monitoring and supervision system is not sufficient. No such exclusive system and tool does exist for monitoring of the project. They need to develop intervention wise monitoring checklist and tools. For example, monitoring tool for tracking delinquency, daily savings deposit and withdrawal, daily loan realizable and amount realized are essentially be developed and used for better monitoring of microfinance program.

iii. Financial planning and management: Financial planning and management is also below expectation in a sense the system is not guided by a well-written policy manual. The prototype manual that exists with the organization is incomplete and not updated. For evidence, chart of

accounts, adjustment of advance, payment system to third party, petty cash system, internal audit, etc. are not included there.

Given the present situation of financial resource, it has to be more efficient in managing the limited RLF and a cash flow forecast is essential for that. But the organization does not prepare it.

Branch/Area offices are not established as a cost center. They do not prepare any of the financial reports. So neither Branch Offices nor the Head Office knows which of the branch offices is operating profitably and which one is not.

Since all the financial decisions are made in the head office, it delays the timely disbursement of loans.

iv. Bookkeeping and accounting: Branch level bookkeeping and accounting is not going properly. Two cashbooks and two general ledgers are maintaining separately for the savings and loan, which is needless. Entries in the cashbooks and ledgers are not giving following the standard rules. Part of the savings is recording in the savings cashbook where part of it recording in the loan cashbook, which makes the accounts difficult to understand. Same is the entries in leader. Accounts for loan disbursement and realization are maintaining separately. So it is difficult for one to get the outstanding figure quickly. In fact, there are so many weaknesses in bookkeeping and accounting at branch level.

v. Financial Control: There is no reconciliation of books of accounts maintain in the office with the members' passbook. No such system for internal audit. As a result, there is every possibility of mishandling of money by the staff and there were incidences like that.

vi. Documentation and reporting: In this area, Bogra YMCA also needs significant improvement. Staff movement, meeting minutes, resolution on major decisions, training activities, etc. should be documented and preserved properly.

vii. Office management: Bogra YMCA HO outlook is nice and office management system is excellent. But it is completely reverse in case of branch office. By looking into branch office set up and office management system, it is hard to believe that they are the branch offices Bogra YMCA. Very small and squash branch office house are too disorganized. Office management systems like filing system, reporting system, etc. are too poor. There is no sitting arrangement for the group members who are used to come branch offices to take loan.

vii. Leadership and decision making and delegation of responsibility and authority: Leadership and decision making of the project is centralized. Branch Managers are not delegated with proper responsibility and authority. They often need to come head office for loan approval.

viii. Project staffing: A total of 22 staff are employed now under EPCOP; of them 14 are microfinance staff and 8 are education staff. By designation, the staffing is EPCOP project in Bogra YMCA has given below:

Microfinance staff		Education staff	
Project Coordinator	1	Skill training Instructor	2
Branch/Area Manager	3	Assistant to Instructor	1
Field Assistant	9	Shanglap Animator	5
Peon	1		
Total	14		8

Staffing of the microfinance component in Gabtali and Kutubpur branch appeared insufficient. There need more of Field Assistants in these two branches.

In general, Bogra YMCA should follow a standard model for branch operation. The model could be like 1 Branch Manager and 5 Field Assistants. Otherwise it will not be cost-effective to employ one

Branch Manager when the number of Field Assistants is one or two – as is the present situation of Gabtali and Kutubpur branches.

About Project Coordinator: The Project Coordinator is based in head office. It seems that he more involved in head office day to day activities rather than investing for the project. Having a discussion with him, it appeared that he is not fully aware about project status and not regularly visit the branch offices.

ix. Staff competency and commitment: The staff involved with EPCOP project appeared hardworking and committed. But their competency, especially the microfinance staff, is not up to the mark. They need significant improvement in many technical aspects of the microfinance program especially in record keeping, tracking delinquency, aging analysis of delinquent loans, managing delinquency, understand the structure and contents of financial reports and interpretation the reports, etc.

x. Staff performance appraisal: Bogra YMCA claimed they have a system for annual performance appraisal of the staff. But to the evaluator, the system is not sufficiently rigorous and related with the program performance. There needs a competency based performance oriented appraisal system.

xi. Staff development process: Bogra YMCA arranged some training for its staff. But that was not adequate or effective enough to bring the level of staff competency at the required level. So there needs more of staff development initiatives.

xii. Job satisfaction of the staff and the issue of salary: Staff expressed their job satisfaction in all aspects. But they are concerned about their salary – what they think need to increase considering the current economy of the country. Following is the salary currently drawing by EPCOP staff in Bogra YMCA:

- Project Coordinator	Tk.9,300
- Branch/Area Manager	Tk.6,250
- Field Assistant	Tk.2,800-4,680
- Animator	Tk.1,800

5.3 Summary of findings and recommendations

FINDINGS

Key findings on group status:

1. Groups are relatively in a better position compared to other two YMCAs visited.
2. Group disciplines and norms are yet to establish in the groups.
3. In many groups, total number of group members is below the optimal target.

Key findings on savings:

4. Savings deposit is in declining trend.
5. Savings withdrawal is high.
6. Savings is increasingly adjusting with the overdue loans by the staff to reduce the overdue rate.

Key findings on credit:

7. Loan product is not perfectly competitive and attractive to the group members.
8. Fist loan is small compared to desire of the group members.

9. Loan processing is lengthy or takes longer time.
10. RLF is shrinking due to decline in savings rate, increase in savings withdrawal, and adjustment of savings with overdue loans.
11. As a result, loan disbursement is in declining trend.
12. Loan overdue calculation is faulty. Installments delinquency is not included there.
13. Aging analysis of overdue loans and a system for that does not exist.
14. Branch level bookkeeping and accounting is not maintaining accurately following the standard rules; various inconsistency observed there.
15. Official books and documents are not reconciled with the members' passbook frequently.
16. Branches are not established as a cost center.
17. Branch offices do not prepare any financial reports.
18. Loan program performing below efficiency level.
19. Branches are not identical in operational model; they vary greatly in scale.

Key findings on education component:

20. Social activities are too small to create a measurable impact. There needs more of diversified social activities under the education component.
21. There is no training manual for the social awareness training.
22. *Shanglap*, as a new program, has gained great attention of the community people. There has an increased demand for expansion of the *Shanglap* program.

Key findings on staffing:

23. Two of the branches are shortage of staff; there need more of Field Assistants.
24. Provisioning one Branch Manager in a branch or unit having less than four field workers is not justified.

Key findings on commitment and competency of the staff:

25. Staff are hardworking and committed
26. Competency of the staff, especially microfinance staff not up to the mark.
27. Staff development initiative is inadequate.

Key findings on organizational capacity in project management:

28. Project planning and management is relatively weak. Staff do not prepare monthly work plan setting target, monthly activity report comparing achievement with the target, and project coordination does not held regularly.
29. Monitoring and supervision is not adequate.
30. Financial planning and management is weak.. Branches are not preparing cash flow forecast, income statement, balance sheet and portfolio report.
31. Internal control system is not as strong as required for a microfinance program.
32. Branch level bookkeeping and accounting is not maintaining as per standard rules. There are various inconsistencies.
33. Branch offices are too poor in outlook and physical facilities.
34. Staff performance appraisal is not strong enough.
35. Overall management system is centralized.

RECOMMENDATIONS

Recommendations on microfinance component:

1. More emphasis should be placed on establishing group norms and disciplines.
2. Savings withdrawal should be kept at a control level.
3. More emphasis should be planed on savings mobilization.
4. Consider to increase loan size for first loan.
5. Installments delinquent must be included in the overdue loans.
6. There should have an appropriate system for aging analysis of delinquent loans.
7. There must have a tracking system for daily savings and loan realizable and the amount realized.
8. Must introduce the preparation of monthly financial statements including cash flow forecast at the branch level.
9. Take necessary initiative to improve the bookkeeping and accounting systems at branch level.
10. Internal control system should be strengthened. Members' passbook should be reconciled more frequently with the official books and documents.
11. Average loan portfolio per field assistant must be increased.

Recommendations on education component:

12. Social activities need to scale-up reasonably to create a measurable impact. Particularly Shanglap program deserve expansion.
13. Social awareness training should be more in number and diversified in contents. It would good if there are training manual on social awareness training.

Recommendations on organizational capacity in project management:

14. There must be introduced the practices of preparing monthly work plan and activity report by the branch and by the senior staff.
15. Monthly project coordination meeting must be held regularly with elaborate discussion on the performance of the project.
16. Monitoring and supervision of the program must be strengthened.
17. Facilities of the branch offices should be improved.
18. More authority and responsibility may be delegated to the branch managers.
19. Staff performance appraisal should be competency and performance based.
20. Staff should be provided with more technical assistance and training to improve their competency.
21. Project Coordinator should spend more of his time dealing with project. He should pay more visits to the field.
22. Major policy manuals should be reviewed and updated as per present needs.

Report on Gopalganj YMCA

6. REPORT ON GOPALGONJ YMCA EVALUATION

Gopalgonj YMCA started to operate EPCOP in 2001. This section of the report presents the analysis of present situation of EPCOP project in Gopalgonj YMCA and its capacity to manage the project.

6.1 Evaluation of the project

MICROFINANCE COMPONENT

Component description and present state

Gopalgonj YMCA microfinance component consists of **savings, credit and insurance**. The organization implements the microfinance program forming groups with the target people; the approach is more or less similar to the Grameen model.

Target people and their socio-economic profile: Poor women are main target people of Gopalgonj YMCA. Their socio-economic profile is similar to that of the group members of Bogra YMCA. Selling labor in agriculture field, doing small household economic activities, small trading, rickshaw pulling are their main livelihood options.

Present state of the microfinance program: Present status of the microfinance program of Gopalgonj YMCA in terms of coverage has been given below:

Total no. of groups	:	79
Total group members	:	1,283 (all are female)
Average member/group	:	16
No. of village covered	:	7
Union coverage	:	3
Thana coverage	:	1 (Gopalgonj dasar)
District coverage	:	1 (Gopalgonj)
Operating unit/branch	:	1 (Operating from Head Office)
Total staff involved with microfinance	:	7
- General Secretary	:	1
- Credit Manager	:	1
- Accountant	:	1
- Field Worker	:	4

Present status of the groups: The situation is very bad. Most of the groups, estimated to be 60-70 percent, are inactive or partially active. Weekly meetings are not held in these groups. Savings and credit functions are withheld in many groups for long time. Many groups exist by name. There are no traces of many group members who have payable loans to the organization. The organization also lacks of proper records and reports about many of the borrower group members.

There were many reasons for the present situation of the groups in Gopalgonj YMCA. Of them, weak supervision and monitoring and irregular visit to the groups by the field staff were the main problem. Lack of adequate staff experience in microfinance also liable for the present situation of the groups. Added to that leadership crisis in the senior position and high turn over of staff increased the problem in many fold. The social image of YMCA as a welfare and soft organization also impacted negatively in this regard.

Savings

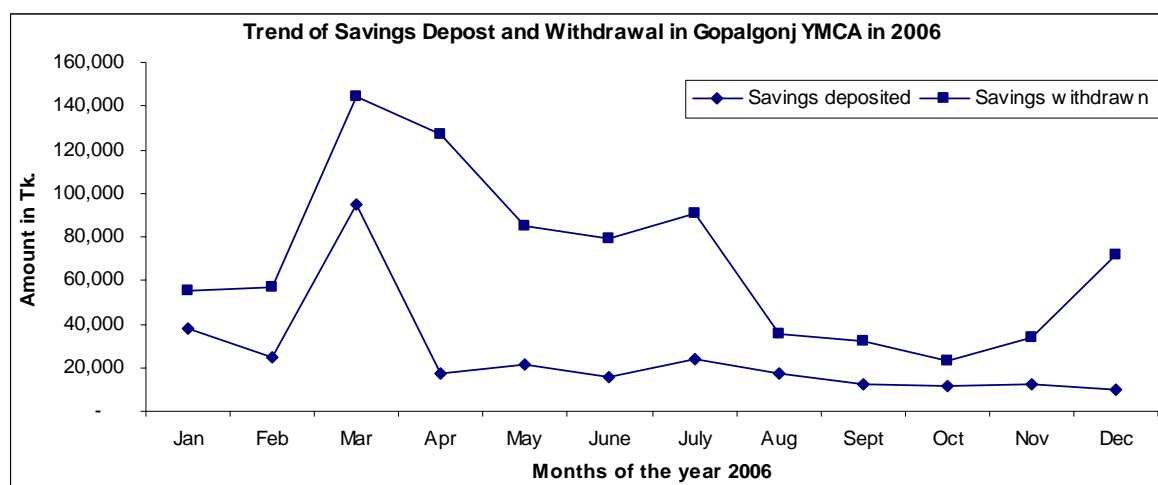
Savings objective, product features and present state: Formation of capital with the poor women was stated as the objective of savings program of Gopalgonj YMCA. It collects taka 10 per week per member as savings. Group members can pay more and can withdraw savings if no loan is outstanding with the organization. As on 31 Jan '07, the status of members' savings with Gopalgonj YMCA was as given below:

Present status of savings in Gopalgonj YMCA (As on 31 Jan '07):		
Total members	:	1,283
Total savings held with the organization	:	Tk.1,499,177
Average savings/member	:	Tk.1,168

Savings deposit and withdrawal trend: Savings withdrawal was nearly three times higher than savings deposit during 2006. Following table and graphs shows the savings deposit and withdrawal in 2006.

Savings deposit and withdrawal in Gopalgonj YMCA during 2006

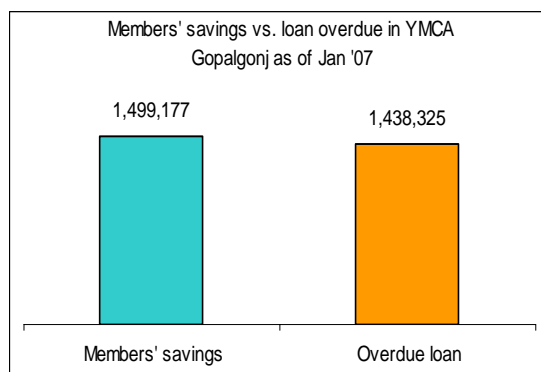
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Savings deposited	37,974	24,430	94,440	17,303	21,755	15,883	23,794	17,610	12,670	11,302	12,425	9,587	299,173
Savings withdrawn	55,191	56,998	144,333	126,837	84,566	79,479	90,338	35,476	32,278	23,001	34,074	71,514	834,085
Net balance	(17,217)	(32,568)	(49,893)	(109,534)	(62,811)	(63,596)	(66,544)	(17,866)	(19,608)	(11,699)	(21,649)	(61,927)	(534,912)



By looking into the table and graph, one can easily understand the present situation of the savings program in Gopalgonj YMCA. It is really very bad. During 2006, total savings withdrawal was three times higher than savings deposit. In this year, total savings deposit was Tk.299,173; where the withdrawal was Tk.834,085. Almost 60-70 percent members are not paying savings now; remaining 30-40 percent members are also very irregular in savings deposit.

Severe Fund crisis – a consequence of declining deposit and increasing withdrawal of savings: Next to the borrowed fund from SF, members' savings was the main source of RLF in Gopalgonj YMCA. But as the lion share of the members is not paying weekly savings, rather they increasingly withdrawing savings; the organization is now in severe fund crisis. SF loan to Gopalgonj YMCA has also been remained stop for last one year because it could not repay some of the due loan installments timely. This has further increased the fund crisis in Gopalgonj YMCA.

Savings to overdue loan ratio: At present the members' savings and the loan overdue is almost equal that has been shown in the graph beside. But the way the overdue is increasing it will exceed the savings very soon. Therefore, some pragmatic actions should be taken to check the savings withdrawal and increase savings deposit. Frequent group visits by the senior staff to provide motivation to the group members to save regularly and formation of new groups with better discipline and norms were the advice of the evaluator to the Gopalganj YMCA.



Further consequences: If the current situation prevails, the problem will be more worsen. More groups will become non-functioning and more loans will become delinquent. To see the program keep going, there needs fresh capital support for RLF. Otherwise the entire program will come to hang soon. The evaluator draws the attention of NCYB in this regard.

Credit

Types of loan: Gopalganj YMCA offers only one type of loan called as 'general loan' of 1 year length charging 15 percent interest at flat rate and is repayable through 46 weekly installments.

Participants' view to loans: Group members are not concerned about the loan product and its features. They are very much concerned when the organization will pay the loans.

Demand and use of loans: Demand for loan is very high. Many group members said that they will leave the groups if loans are not given soon. Group members, who took loans, some of them reported that they used the loans mainly for economic purposes.

Current state of the credit intervention: The status of credit program of the Gopalganj YMCA as on 31 Jan. '07 has been given below:

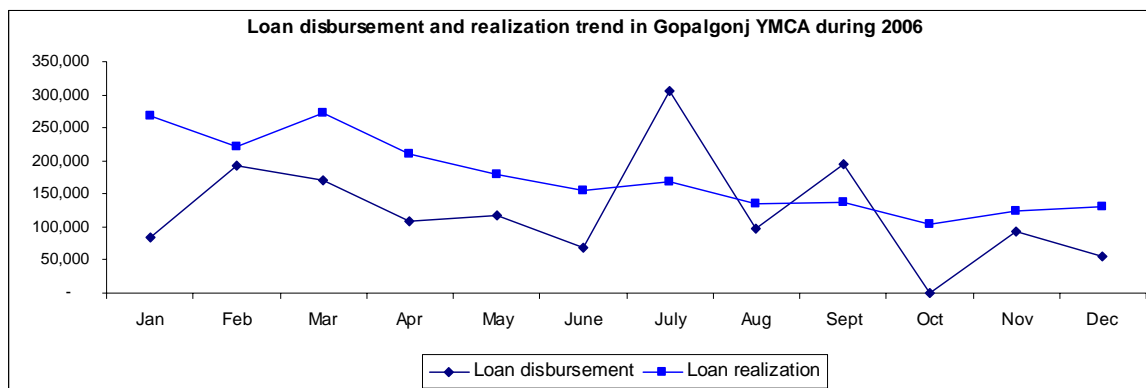
Total members	:	1,283
Total borrowers	:	991
Borrower to member ratio	:	2:1.77
Total outstanding loan	:	Tk.3,665,935
Average outstanding during the year 2006	:	Tk.3,917,436
Average outstanding/per borrower	:	Tk.3,699
Amount of overdue ² loan	:	Tk.1,438,325
No. of defaulter borrowers	:	330
Defaulter to total borrower ratio	:	3:1
Loan repayment rate	:	60.76%
No. of field workers	:	4
Member/field worker	:	320
No. of borrower/field worker	:	248
Amount of outstanding loan portfolio/field worker	:	Tk.916,484

Loan disbursement and realization trend: No need to mention again that loan disbursement and realization is in straightly declining in Gopalganj YMCA. Overall picture of loan disbursement and realization in this organization during 2006 has been shown in the table and graph given below:

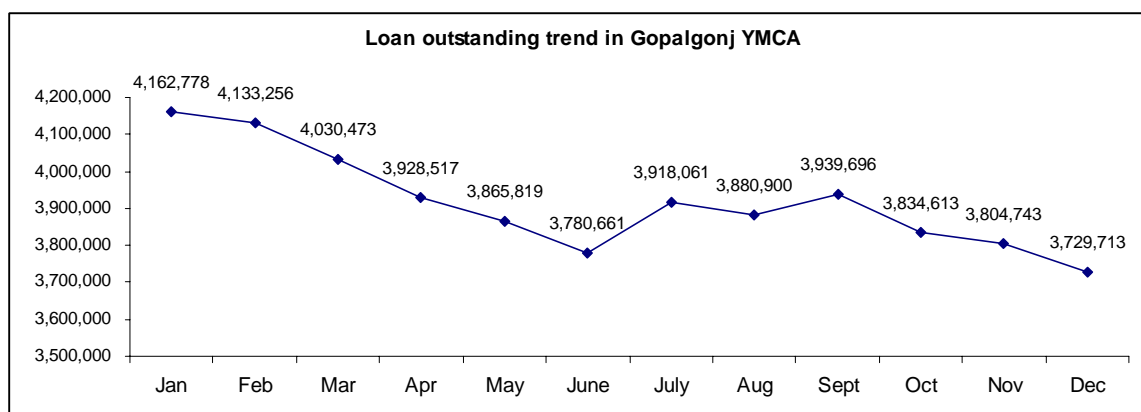
² Loan overdue seems to be faulty as there system for counting overdue does not exist there.

Loan disbursement and Realization in Gopalgonj YMCA during 2006

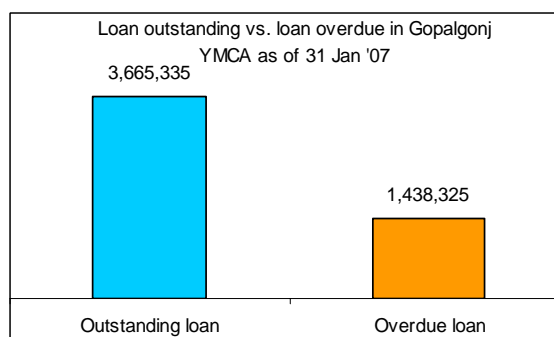
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Loan disbursement	84,000	193,000	170,000	108,000	117,000	69,000	306,000	98,000	196,000	-	94,000	56,000	1,491,000
Loan realization	268,813	222,522	272,783	209,956	179,698	154,158	168,600	135,161	137,204	105,083	123,870	131,030	2,108,878
Loan outstanding	4,162,778	4,133,256	4,030,473	3,928,517	3,865,819	3,780,661	3,918,061	3,880,900	3,939,696	3,834,613	3,804,743	3,729,713	



Loan outstanding: Loan outstanding went on declining as well. During 2006, the average outstanding was Tk.3,917,436.



Loan overdue: Loan overdue is growing fast in Gopalgonj YMCA. Currently 40 percent of the loans are overdue. In amount, total overdue is Tk.1,438,325 as per 31 January '07 report. Loan realization has become more and more difficult when majority percent of the groups are inactive. There is no trace of many borrower members who have payable loans.



Portfolio at Risk: Entire loan outstanding is virtually at risk. All of the borrowers presumably have more or less some delinquent loans.

Bad debt and write-off: Out of 991 existing listed borrowers, about 330 borrowers exceeded their loan period quite before. The organization has no contact with many of them. There needs to do an aging analysis of the overdue loans and write-off the unrecoverable loans.

Insurance

Gopalganj YMCA deducts from the borrowers at the rate of Tk.5 per thousand taka loan during loan disbursement – what they called as insurance. The purpose is to give protection to loan loss if a borrower dies. So far Tk.38,585 has been accumulated as insurance fund. All the money again used in lending to the group members. There is no written policy on the insurance.

Overall comment on microfinance component

The overall situation of microfinance in Gopalganj YMCA can be said as 'critical'. The situation will be more worsen in future if necessary measures are not taken now. At the moment, the organization has no money cash in hand or at bank to pay new loans to the members or to repay the due installments of SF. NCYB needs to help Gopalganj YMCA to overcome the situation.

EDUCATION COMPONENT

The main activities under the education component in Gopalganj YMCA were **vocational training** for youths and **awareness training** for the group members.

Vocational training centre (VTC)

Objective and present status of VTC: Gopalganj YMCA established a vocational training centre (VTC) in 2005 taking 3 rooms in a market constructed by the organization beside its office. Objective was to provide vocational training to the youths. Unfortunately, VTC has unexpectedly failed to achieve its objective. Since inception, it could able to enroll only 15 students. But none of them completed the 1 year course; all were dropped out at different stages of the course. In 2006, there were no students in the VTC.

Commercialization of VTC: As an alternative, Gopalganj YMCA tried to operate VTC commercially. But that's also failed. The operating cost was higher than the revenue. During 2006, it gave a subsidy nearly Tk.4,000 pre month to run the VTC commercially, which was unjustified in this situation of financial crisis of the organization.

Awareness raising and income generation training

Objective: To raise awareness and skill of the target people, especially the women was the objective of the training program.

Achievement: Gopalganj YMCA performed all the planned training programs within the time schedule. There were only 3 batches of 'Leadership and Health Awareness' training planned to conduct in the year 2006. They according conducted all the three batches of training where a total of 98 women took part. Lunch and refreshment was provided to the trainees plus Tk.30 per day as conveyance allowance. It was 3-day long training conducted by the staff. There was no training module for the staff to conduct the training.

Apart from awareness training, 3 of the group members from Gopalganj YMCA took part in a 10-day long 'Poultry Raising' training organized by NCYB at Dhaka. Unfortunately, none of these women were found to apply skills learned to raise poultry. It seems that participant selection by Gopalganj YMCA was not right.

Impact of awareness raising training: As talked to some trained participants, leadership and health awareness training was useful to increase their confidence and thinking ability to some extent.

Future needs of training: Three needs more of awareness raising and income generation training for the poor women.

Overall comment on education component

Same as Bogra YMCA, the activities under the education component in Gopalganj YMCA was also too small to produce a measurable impact. The intervention was mere invisible compared to the needs.

6.2 Assessment of organizational capacity in project management

This section of the report presents the findings on capacity assessment of Gopalganj YMCA in systematic management of the project.

i. Project planning and management: Very poor. All the weaknesses in program implementation were stemmed from weak project planning and management system.

ii. Monitoring and supervision: Also very poor. A good and promising organization having external funding support can become vulnerable in program because of poor monitoring and supervision, Gopalganj YMCA is a live example of that. The organization needs substantial improvement in this area.

iii. Financial management: Financial management is also very weak in Gopalganj YMCA like as other two local YMCAs visited.

iv. Bookkeeping, accounting and financial reporting: Bookkeeping is not going properly following the standard system. For evidence, loan account is maintaining separately for disbursement and realization; loan disbursement posting includes principle only, where realization posting include both principle and interest. There are numerous other inconsistencies in bookkeeping and accounting. The financial statements also need improvements in structure and contents.

v. Documentation and record keeping system: Very weak documentation and record keeping system. Even there are no proper record and reports on the groups, borrower members and amount outstanding with inactive borrowers.

vii. Leadership and decision making: Leadership and decision making was and is still a big weakness in Gopalganj YMCA.

viii. Project staffing: Currently there are 10 staff in Gopalganj YMCA; 6 microfinance staff, 3 general staff, and 1 VTC instructor. However, two of them, Credit Manager and 1 Field Worker, have resigned very recently.

Given the size of the microfinance program, the position of Credit Manager is not necessary. General Secretary is enough to supervise the microfinance program. Also there is no need for two Accountants. One Accountant is enough to keep the accounts of the microfinance program and the general fund.

ix. Staff competency and commitment: Poor competency of the staff was also responsible for the present situation of the microfinance program in Gopalganj YMCA. Microfinance staff, especially the accountant and the Field Workers do not keep adequate knowledge and skill on the technical aspects of microfinance operation. Some of them (Field Workers male) are not committed enough and do not visit regularly.

x. Staff performance appraisal: No such systems exist there in true sense for staff performance appraisal. Staff performance never ever appraised in a professional way.

xi. Staff development: Staff development process is inadequate. Very occasionally some of the staff participated in some training organized by NYCA.

xii. Job satisfaction of the staff and the issue of staff salary: Staff are highly dissatisfied and are worried thinking the present situation of the program. At the same they are also concerned about their salary and salary structure – which is poor according to their view. The following is the salary receiving by staff in different positions.

- General Secretary	Tk.5,500
- Accountant (general)	Tk.4,000
- Accountant (microfinance)	Tk.3,300
- Field Worker	Tk.2,600
- VTC instructor	Tk.3,000

6.3 Summary of findings and recommendations

FINDINGS

Key findings group status:

1. About 60-70 percent groups are inactive or partially active.
2. Group formation and development process is very weak.
3. Group meeting is not held in most of the groups.

Key findings on savings:

4. Savings deposit has been declined straightly. Almost 70 percent group members are not paying saving or very irregular in savings deposit.
5. Savings withdrawal is unexpected increased.
6. During 2006, savings withdrawal was three times higher than savings deposit.

Key findings on credit:

7. Loan disbursement is also seized due to fund crisis.
8. Loan repayment rate has been decreased.
9. As a result, loan overdue is growing faster. More than 40 percent of the outstanding loan is overdue loan.
10. There are no system and tools for tracking loan repayment and delinquency properly.
11. Bookkeeping and accounting is not maintaining properly.

Key findings on VTC:

12. VTC has failed to achieve its objective.
13. Experiment for operating VTC commercially also failed.

Key findings on social development activities:

14. Social development activities were inadequate compared to needs.
15. There need more of training for the poor women social and economic issues.

Key findings on staffing:

16. The position of Credit Manager is not essential.
17. Two Accountants is not actually needed to keep the accounts.

Key findings on competency and commitment of the staff:

18. Staff are poor in competency.
19. Their commitment, especially the male Field Assistant, is also low.
20. Staff are worried thinking about present situation.

Key findings on organizational capacity in project management:

21. Planning and management system is unexpected poor.
22. Monitoring and supervision is also remarkably weak.
23. There are no such systems for monitoring or tracking of members' dropped out and new enrollment, daily savings deposit and withdrawal, daily loan realizable and amount actually realized, etc.
24. Financial planning is not there. Cash flow forecast is not prepared which is essential at this situation of the microfinance program.
25. Very weak bookkeeping and accounting system.
26. Documentation and record keeping system is very weak.

RECOMMENDATIONS

1. Some strategic steps should be taken to overcome fund crisis in microfinance.
2. Existing groups should be reorganized to have an updated list of active and inactive groups.
3. New groups may be formed in the newly selected villages with greater emphasis on savings mobilization.
4. Group discipline and norms must be reestablished in the groups.
5. Senior staff pay more visits to the groups.
6. Excessive savings refund must be checked.
7. A new borrower list must be prepared showing active and inactive borrowers.
8. Aging analysis report of the overdue loan must be prepared on monthly basis.
9. To encourage an extra effort of the staff in realizing overdue and bad loans, a percentage of the recovered amount may be refund to the staff.
10. Field Workers must prepare the cash flow forecast statement on weekly basis, while the project should prepare the same on monthly basis.
11. There must have a monitoring and tracking system for daily savings and loans realizable and the actual amount realized from the field.
12. VTC operation should be stopped. The machineries and equipments could sale out.
13. Project planning and management system must be strengthened.
14. Monthly staff meeting must be held on a regular basis where performance of the project and problems and difficulties faced should be discussed elaborately.
15. Bookkeeping and accounting system must be improved.
16. Members' passbook must be reconciled with official books and documents on a regular basis.
17. Staff must be provided with basic training on bookkeeping, accounting and financial reporting of the microfinance program including financial ratio analysis.
18. Documentation and reporting system must be improved.
19. A performance target must be set for the microfinance staff, especially for the Field Workers in respect to number of group must be supervised, number of group members must be maintained, monthly savings must be collected and the loan repayment rate must be maintained, etc.
20. Job performance of the staff must be evaluated seriously. Good performing must be rewarded.
21. Field Workers should be provided with by-cycle for field visit.
22. There should be only one Accountant. Credit Manager should be recruited newly. General Secretary will oversee the microfinance directly.

**Report on
Kaligram YMCA**

7. REPORT ON KALIGRAM YMCA EVALUATION

Kaligram YMCA started to operate EPCOP in 2003. This section of the report presents the analysis of the present situation of EPCOP project in Kaligram YMCA and its capacity in systematic management of the project.

7.1 Evaluation of the project

MICROFINANCE COMPONENT

Present state and description of the component

Main services: Kaligram YMCA provides **savings** and **credit** services to the target people under the microfinance program. It also forms groups with the target people, which are very similar to Grameen groups.

Who are the target people? Poor women are the main target people of the microfinance program of Kaligram YMCA. The organization was fairly able to include poor women in its microfinance groups.

Socio-economic condition of the group members: The socio-economic condition of the group members of Kaligram YMCA is more or less similar to that of the group members of other YMCAs. However, people here mainly dependent on fishing for livelihood and enjoy round the year income flow from catching and trading fish. However, income varies greatly depending on season. Side by side fishing, they are also involved with other economic activities like agriculture, small trading, etc. Compared to other region, people here appeared more entrepreneurial.

Present state of the microfinance program: As on 31 January 2007, the scale and state of the Kaligram YMCA microfinance program is given below:

Total no. of groups	64
Total group members	999 (all are female)
Average member/group	16
No. of village covered	-
Union coverage	2
Thana coverage	1 (Maksudpur)
District coverage	1 (Gopalganj)
Operating unit/branch	1 (Operating from the Head Office)
Total staff involved with microfinance	5
- Credit Manager	1
- Accountant	1
- Field Assistant	3

How is the functional level of the groups? In overall, the present situation of the groups can not be said as good. It seems that group formation and nursing did not go properly. Most of the groups are in haphazard situation. Group meeting are not held regularly, where savings and credit transactions are in declining trend. In many groups, total member is below 10. To see the present situation, many of the group members are hopeless and intend to leave the groups.

Savings

Objective and present status of savings: Kaligram YMCA offers only one type of savings called as 'weekly mandatory savings' which is minimum taka 10 per week per member. Members can withdraw highest 80 percent of their savings given no loan outstanding with the organization.

It pays interest on members' savings at 6 percent. Group members had no say about savings features but the delay makes by the organization in savings refund. They said that Kaligram YMCA takes lowest 1 month to refund savings.

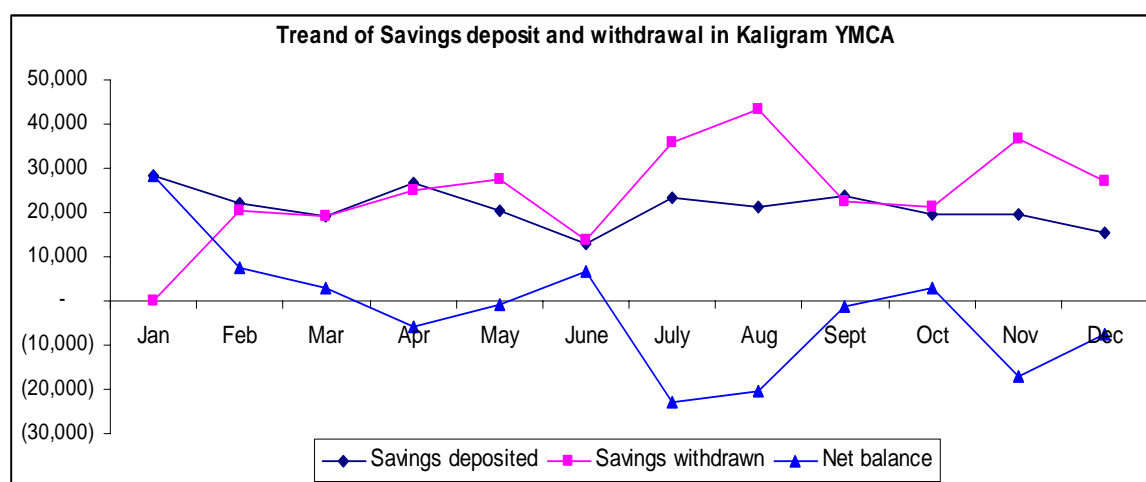
Formation of capital within poor households was the main objective of the savings program. As on 31 Jan. '07, the savings formation in Kaligram YMCA was as follows:

Present status of savings in Kaligram YMCA (As on 31 Jan '07):		
Total members (all female)	:	999
Total savings held with the organization	:	Tk.1,518,692
Average savings/member	:	Tk.1,520

Trend analysis of savings deposit and withdrawal: For the year 2006, the savings deposit and withdrawal in Kaligram YMCA has been shown below in the table and graph. It shows that the year's net savings balance was negative. It means savings withdrawal was higher than savings deposit in this year.

Deposit and withdrawal of Savings in Kaligram YMCA during 2006

Month >>	Jan '06	Feb '06	Mar '06	Apr '06	May '06	June '06	July '06	Aug '06	Sept '06	Oct '06	Nov '06	Dec '06	Total
Savings deposited >>	28,209	22,149	19,239	26,630	20,413	12,918	23,155	21,208	23,844	19,400	19,663	15,357	252,185
Savings withdrawn >	-	20,521	19,230	24,998	27,351	13,863	35,907	43,408	22,312	21,081	36,643	27,046	292,360
Net balance >>	28,209	7,688	2,919	(5,759)	(721)	6,550	(22,989)	(20,253)	(1,104)	2,763	(17,243)	(7,383)	(40,175)



Also the rate of savings deposit went to decline in Kaligram YMCA. Based on a rough calculation, it appears that almost 50 percent of the group members are not paying savings. If all the 999 members would pay savings regularly at the rate of Tk.10/week, then monthly savings deposit was supposed to be minimum Tk.40,000; but in actual the average monthly savings deposit was Tk.21,015 only, which is about half of the optimum target.

Why this has been happened? The evaluator feels that poor nursing of the groups and weak motivation on importance of savings resulted into decrease in savings deposit and an increase in savings withdrawal. It is true that senior staff did not visit the groups frequently. In that case group motivation on savings by the low qualified Field Assistants was not strong enough to convince the group members to save regularly. Added to that failure to provide loans on a timely manner also accelerated the members' dropout, henceforth, the savings withdrawal.

Consequences of fall of savings deposit and increase in savings withdrawal: Members' savings constitutes almost 80 percent of the RLF in Kaligram YMCA. Increase in savings withdrawal and decline of savings deposit will appear as a threat for the organization. If the situation is not improved quickly, the organization will fall in a severe fund crisis soon.

Loan overdue and savings ratio: As the savings withdrawal and loan repayment rate is inversely progressing, the difference of margin between savings and overdue loan is reducing quickly. As on Jan. '07, the loan overdue in Kaligram YMCA has been shown Tk.539,272, when it holds Tk.1,518,692 as members' savings. It means, overdue is one third of the savings. It is not at all a healthy situation.

Credit

Types of loan offers: Like other YMCAs, Kaligram also offers only one type of loan which they called as 'general loan'. Following are the main features of the loan product:

- 1 year loan repayable through 46 weekly installments
- Interest: 15 percent (flat rate)
- Loan ceiling: lowest Tk.1,000 to highest Tk.20,000
- First loan: highest Tk.3,000
- Loan amount increases by Tk.2,000 in every next loan
- Only one loan can be outstanding at a time with a borrower
- 20 percent savings is a prerequisite to take the required amount of loan

View of the group members about loans: Group members consider loans as a great support. They have no major dissatisfaction regarding loan product. However, they feel that loan amount for the first loan should be increased since it is now very small to start an IGA. Some of them were expecting short-term larger size enterprise loans. The issue of interest also came in the discussion. They feel it should be reduced.

Uses of loans: Group members used the loans mainly for investment in economic activities like agriculture, fish trading, rural transport, small business, etc. A percentage of the loans were used for consumption and to meet various household needs such as to buy essential household goods, clothes, repair shelter, visit doctors, buy medicine, etc. Group members recognized that they were benefited from the loans.

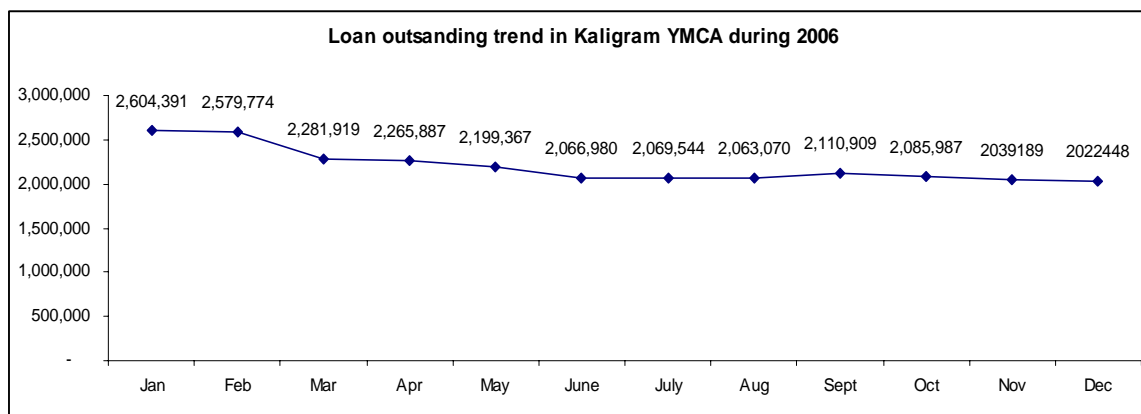
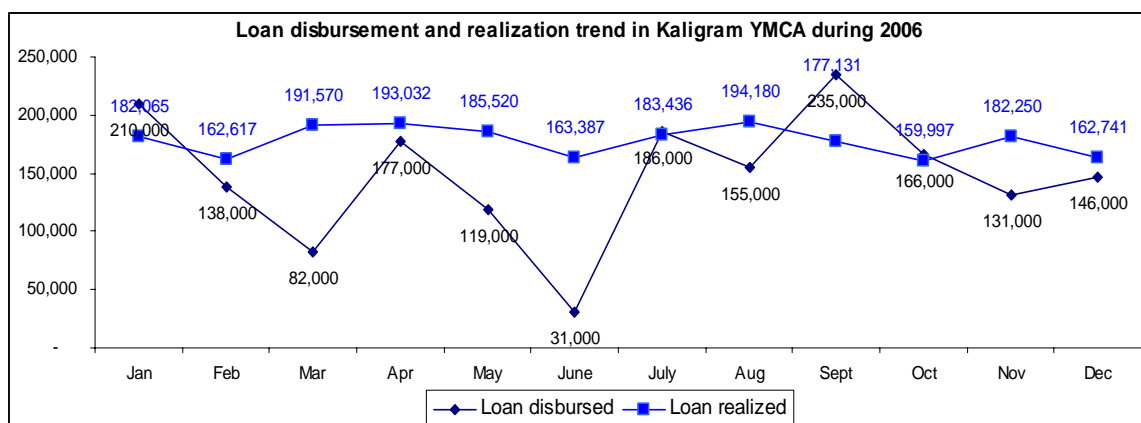
Current state of the credit program: As on 31 Jan. '07, the state of Kaligram YMCA credit intervention was as given below:

Total members	:	999
Total borrowers	:	636
Borrower to member ratio	:	3:1.91
Total amount disbursed in the year 2006	:	1,776,000
Total no. of loan made in the year 2006	:	229
Average loan size	:	7555
Amount of outstanding loan	:	Tk.1,968,2 11
Average outstanding (in 2006)	:	Tk.2,199,122
Average outstanding/per borrower (in 2006)	:	Tk.3,123
Amount of overdue loan	:	Tk.539,272
No. of defaulter borrowers	:	188
Defaulter borrower to total borrower ratio	:	3:0.88
Loan repayment rate	:	72.60%
No. of field workers	:	3
Member/field worker	:	333
No. of borrower/field worker	:	212
Amount of outstanding loan portfolio/field worker	:	Tk.656,070

Analysis of loan disbursement and realization trend: Loan disbursement varied greatly in different months during the year 2006 and the total disbursement was lower than the disbursement in the previous years. Loan realization correspond to amount realizable was also declined greatly resulting into a large increase in overdue. Following table and graph shows the loan disbursement, realization and the portfolio outstanding behavior in Kaligram YMCA during 2006.

Loan disbursed and realized by Kaligram YMCA during 2006

Months >>	Jan '06	Feb '06	Mar '06	Apr '06	May '06	June '06	July '06	Aug '06	Sept '06	Oct '06	Nov '06	Dec '06	Total
Loan disbursed >>	210,000	138,000	82,000	177,000	119,000	31,000	186,000	155,000	235,000	166,000	131,000	146,000	1,776,000
Loan realized >>	182,065	162,617	191,570	193,032	185,520	163,387	183,436	194,180	177,131	159,997	182,250	162,741	2,137,926
Loan outstanding >	2,604,391	2,579,774	2,281,919	2,265,887	2,199,367	2,066,980	2,069,544	2,063,070	2,110,909	2,085,987	2,039,189	2,022,448	2,199,122

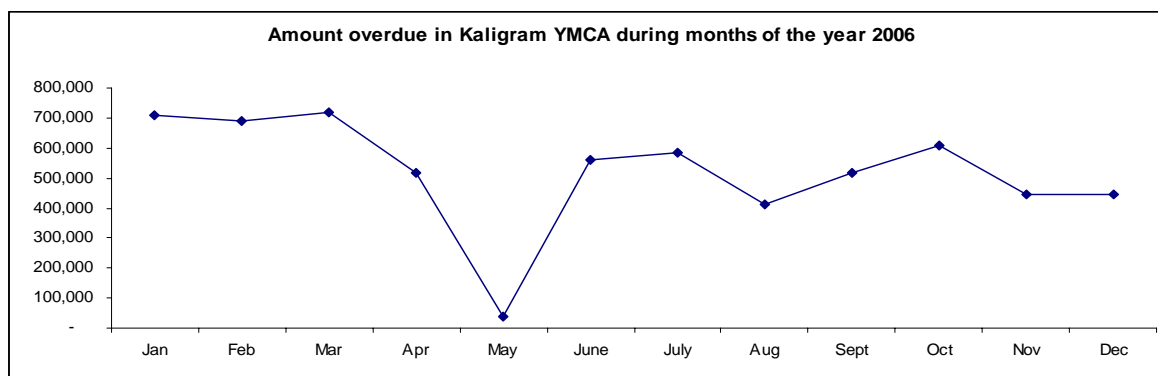


The graph shows that loan disbursement fluctuated greatly. This indicates a situation of severe cash flow management problem in Kaligram YMCA perhaps due to increase in savings withdrawal, and decrease in savings deposit and loan repayment by the group members. Kaligram YMCA needs to think about the situation deeply to find some pragmatic solutions for better cash flow management.

Analysis of loan overdue: It has already been said that loan overdue is in fast growing mode in Kaligram YMCA. The total overdue amount was shown as Tk.539,272 in the 31 January '07 report against a portfolio outstanding of Tk.1,968,211; and the rate of overdue was shown as 27.5 percent. But the actual amount of overdue loan would be much higher if the installment delinquency is correctly calculated and added with the figure. The increase in overdue again indicates a situation of poor nursing of the groups and weak motivation to the group members on the importance and benefits of timely repayment of loans.

Trend of loan overdue in Kaligram YMCA during 2006

Month >>	Jan '06	Feb '06	Mar'06	Apr'06	May'06	June'06	July'06	Aug'06	Sept'06	Oct'06	Nov'06	Dec'06
Loan outstanding>	2,604,391	2,579,774	2,281,919	2,265,887	2,199,367	2,066,980	2,069,544	2,063,070	2,110,909	2,085,987	2,039,189	2,022,448
Amount overdue >>	710,607	689,220	719,357	516,538	38,234	560,495	584,295	409,884	518,904	609,809	443,241	447,613
Overdue % >>	27%	27%	32%	23%	2% ???	27%	28%	20%	25%	29%	22%	22%



Analysis of efficiency in operating microfinance program: In overall, it can be said that Kaligram YMCA is far below in efficiency from the standard of the microfinance industry in Bangladesh. For example, compared with the industry standard, the 'outstanding loan portfolio/field worker' is much lower in Kaligram YMCA. On this variable, they are even behind from other two YMCAs evaluated. The same is the situation on other key variables like no. of savers, no. of active borrowers, amount of loan disbursed, etc.

EDUCATION COMPONENT

The Education Component includes two major activities: **training** and 'shanglap'.

Training

Types of training: Kaligram YMCA arranged 'Health Awareness and IGA training' for the group members. By duration it was a 3-day training course conducted by the senior staff. In some courses Caritas staff facilitated some sessions. There was no module on this training.

Achievement: During 2006, a total of 124 women group members provided with IGA and health awareness training. Achievement was 100 percent compared with the target.

Effectiveness of training: Training was useful to some extent to raise the awareness of the trained poor women. However, it would be more effective if there was a guided training module.

Adequacy of the training: The number of women trained appeared inadequate to get the expected result. There needs more of this kind of training for the women who did not get scope to participate in any kind of training.

Future training needs: Future training need should be determined through discussion with project participants. Apparently training on importance of savings, debt management, women participation in economic activities, role of women in household resource management, and some awareness training on environmental sanitation and hygiene seem to be effective to organize for the poor women.

Shanglap

Present state: *Shanglap* is in good pace. Currently 5 *Shanglap* centers are running where a total of 175 girls and boys are meeting 6 days in a week. In two cases, the *Shanglap* center was provided by the community people; remaining 3 centers were managed under official arrangement. To facilitate the *Shanglap* sessions, there are 5 locally appointed animators; all are SSC or HSS passed. There is one Supervisor to supervise the animator. In overall, the performance of Kaligram YMCA is good in running the *Shanglap* program.

Community reaction: *Shanglap* has been highly appreciated by the community people.

Future scope: *Shanglap* can be expanded to give more coverage. It would be good if there are some sorts of guidebook for the animators to facilitate the *Shanglap* sessions.

Overall comment on education component

In overall, Kaligram YMCA is doing better in managing education component. But, the amount of social activities under the education component appeared inadequate. To create a measurable impact, there needs for more of training, campaign and other form of social activities.

7.2 Assessment of organizational capacity in project management

This section of the report presents the findings on organizational capacity of Kaligram YMCA in systematic management of the project.

i. Project planning and management: Project planning and management system in Kaligram YMCA is same as other local YMCAs. There is no monthly work plan and activity reports on the project; staff also do not prepare any plan and report; monthly staff meeting is not held regularly – all of which are essential for systematic management of a project.

ii. Monitoring and supervision: Monitoring and supervision system is not yet properly developed in Kaligram YMCA. There is no structured tool(s) or checklist for monitoring of the programs. No plan is maintained for field visit of the senior staff. More importantly, there is no monitoring of daily realizable amount of loans and savings and the actual amount realized which is very essential to do in a microfinance program on a daily basis.

iii. Financial management: Like other local YMCAs, financial management in Kaligram YMCA is not explicit enough or guided by a well-defined financial manual.

iv. Bookkeeping, accounting and financial reporting: Bookkeeping and accounting is also raw in Kaligram YMCA. It is difficult to get real picture of the microfinance program from the books of accounts. Cash book and ledger is not maintaining as per standard rules. There are anomalies in entries. There are need for reconciliation of members' passbook with the official books and documents.

Financial statements in structure and contents are better organized in Kaligram YMCA than two other YMCAs evaluated. But how accurately these are preparing by the Accountant that should be checked by the General Secretary. Portfolio report must include OSS and FSS ratio.

v. Documentation and record keeping system: This system is not good enough. They need to keep more updated reports on the group status and document the lessons learned from the field. There should have record and reports on the staff meeting, field visit by the senior staff, training activities, etc.

vi. Office management: Office management system is improving gradually after joining of the current General Secretary. He took various initiatives to improve the filling system, inventory system, etc. and display various information in the office.

vii. Leadership and decision making: Good leadership of the current General Secretary. He used to take decisions more quickly than his predecessor. As a result, the origination is now more proactive in dealing with any problem.

viii. Project staffing: 11 staff are now employed in the EPCOP project in Kaligram YMCA; 5 in microfinance component and 6 in education component. On top, General Secretary also spends 70 percent of his time for this project. By designation the staff position is given below:

General Secretary	1
Credit Manager	1
Accountant (credit)	1
Field Assistant (credit)	3
Supervisor	1
Animator	5

Given the scale of the program, it appeared that the position of Credit Manager and Supervisor are not well justified. There may be 1 Coordinator merging these two positions who will oversee both credit and education components.

ix. Staff competency and commitment: General Secretary is fairly competent having previous experience on microfinance programming. But he needs to visit groups more frequently. The competency of other microfinance staff, especially the Credit Manager and the Accountant is very poor. Their knowledge and technical skills do not match with the requirement of the position. They do not clearly understand the financial statements and the basic accounting procedures. Credit Manager is more desk-oriented; does not make sufficient field visit, a main reason behind disorganized situation of the groups in Kaligram YMCA. Field Assistants are hardworking. If they got more support from the senior staff, they will do better.

x. Staff performance appraisal: Staff performance is not appraised in that sense. What is done is very traditional and is not linked with the program performance. No such provision exists for rewarding good performing staff.

xi. Staff development: Like other local YMCAs, staff development initiative is inadequate in case of Kaligram YMCA as well. The organization does not effort any training for the staff; otherwise SF or NCYB took some initiatives for that.

xii. Job satisfaction of the staff and the issue of staff salary: Staff are satisfied with their jobs. But they are, especially the Field Assistant, not happy with their salary – which is very low indeed. The present salary of the Kaligram YMCA staff has been presented below:

- General Secretary	Tk.8,500?
- Credit Manager	Tk.5,000?
- Accountant (microfinance)	Tk.4,000?
- Sr. Field Assistant	Tk.2,100
- Junior Field Assistant	Tk.1,300
- Supervisor Shanglap	Tk.5,000
- Animator	Tk.800

7.3 Summary of findings and recommendations

FINDINGS

Key findings groups:

1. Group formation and nursing is weak.
2. Group meeting does not take place in many groups.
3. In many groups, total member is less than 10.
4. About 30 percent groups are inactive or near inactive.

Key findings on savings:

5. Savings deposit is in declining trend.
6. About 50 percent members are not paying savings.
7. Savings withdrawal rate is very high.
8. Total savings withdrawal was higher than the total savings deposit in 2006.

Key findings on credit:

9. Loan disbursement fluctuated greatly in 2006.
10. Total disbursement in the year 2006 was lower than previous years.
11. Loan realization rate is in decreasing trend.
12. Current realization rate is 72.5 percent.
13. The loan overdue is growing faster.
14. The program is gradually heading toward RLF crisis.

Key findings on social development activities:

15. There is no training module to conduct training systematically.
16. Social development activities appeared inadequate.
17. Community people highly appreciated the Shanglap program.
18. They expect the program will be expanded to give more coverage.

Key findings on staffing:

19. Given the size of the program, the position of Credit Manager and Supervisor appeared not well-justified.

Key findings on staff competency and commitment:

20. Staff, especially the Field Assistants are hardworking.
21. General Secretary has good experience on microfinance.
22. Other staff, especially the Credit Manager and the Accountant are not enough competent.

Key job satisfaction of the staff:

23. Staff are satisfied with their jobs.
24. Staff, especially the Field Assistants are not satisfied with their salary.

Key findings on organizational capacity in project management:

25. Monthly work plan and activity reports are not prepared.
26. Monthly staff meeting is not held regularly.
27. Monitoring and supervision of the field activities is not adequate.

28. Senior staff do not visit the groups frequently.
29. Loan realizable and amount realized is not monitored daily basis.
30. Cash flow forecast is not preparing.
31. Documentation and record keeping system is poor.
32. Bookkeeping and accounting is not maintaining following the standard rules.
33. Financial reports are not analyzed deeply.

RECOMMENDATIONS

1. Monitoring and supervision of the groups must be strengthened.
2. Existing groups should be rearranged; have a fresh list of active groups with optimum number of members in each group.
3. Emphasis should be given to regularize group meeting and establish group disciplines.
4. Necessary initiatives should be taken to check the excessive withdrawal of savings.
5. More emphasis should be given on savings deposit.
6. Special 'contract savings' may be introduced with the small business holders.
7. Consider to increase the loan size for the first loan.
8. Consider to reduce loan interest.
9. Loan delinquency must be checked.
10. Loan amount realizable and the actual amount realized should be monitored on a daily basis.
11. There should be aging analysis of delinquent loans.
12. Cash flow forecast must be prepared on a weekly basis.
13. Senior staff must visit the groups more frequently to encourage savings and control delinquency.
14. Senior staff must prepare monthly work plan and activity report.
15. Field movement of the staff should be monitored more closely.
16. Staff performance should be analyzed more rigorously linking with program performance.
17. Good performing staff must be rewarded properly.
18. Staff development process should be strengthened. More training should be arranged for the staff.
19. There should be more of social development activities.
20. Monthly staff meeting must be held on a regular basis.
21. Bookkeeping and accounting system must be improved.
22. Documentation and reporting system must be improved.

Annex I: Terms of Reference

NATIONAL COUNCIL OF YMCA's IN BANGLADESH (NCYB)

MID-TERM PROJECT EVALUATION

EMPOWERING POWERLESS THROUGH COMMUNITY ORGANIZING PROGRAM (314040)

TERMS OF REFERENCE (TOR)

A. INTRODUCTION OF THE PROJECT:

Strømme Foundation started to support the Project 314040 – Empowering the powerless through Community Organizing of the National Council of YMCAs in Bangladesh (NCYB) from November 1997.

In the first 5-year project NCYB had planned to work in four Unions by the two District YMCAs of Birishiri (Netrokona) and Bogra. Total 2,500 beneficiaries were organized in 100 village groups under this community-organizing program to create awareness and to improve their income level and standard of living.

After a mid-term evaluation of the project conducted in the year 2000 after three years of the project SF excepted gradual extension of the project and up to 2006 it was extended to six local YMCAs under a cooperation agreement between SF and NCYB covering the period 2001-2005. Within this 5-year period the Project. The main focus of the program were: economic development of the participants through professional microfinance, capacity building by awareness and skill training and vocational training (institutional) for the youths.

The project planned to extend support in the three sectors during the 5-year period:

- Participants in microfinance program _____
- Participants provided awareness and skill training _____
- Youths provided vocational training _____

Actual coverage during the 5-year project:

- Participants in microfinance program _____
- Participants provided awareness and skill training _____
- Youths provided vocational training _____

B. TERMS OF REFERENCE (TOR) FOR THE EVALUATION

1. Aim and Objectives of the Evaluation:

- Extent of the Goal and the Objectives have been achieved by the Project
- Relevance and effectiveness of the project activities
- Strategy and participation of the stakeholders
- Project planning and management capacity of the organization
- Impact of the project
- Lessons learned and future improvements

2. Aims and Objectives of the Program:

- a) Progress of implementation of the aims and objectives of the Project
- b) Assess the degree of achievement of the Project Objectives.
- c) Level of understanding and participation of the staff and project stakeholders

3. Program Management:

- a) Was the monitoring and follow-up system of the management accurate and sufficient?
- b) Were accounts and records keeping system of the organization compatible for the project?
- c) What are the strength and the weakness of the organization and recommendations to remedy the weakness?

4. Staff Capability And Discharge Of Responsibilities:

- a) Was the number of worker sufficient?
- b) Level of program staff working capability - have the workers performed their responsibilities professionally?
- c) How was the relationship between the project personnel and beneficiaries?
- d) Interest of staff in carrying out own responsibilities
- e) Strengths and Weaknesses of staff in carrying out job responsibilities

5. Group Management

- a) Was selection criteria of the target beneficiaries correct?
- b) Participation of group members in conducting group meetings
- c) Level of awareness of members after group formation
- d) Level of group members participation in resolving group problems
- e) Level of group leadership in group activities.
- f) Capability of group members in identifying local resources in society
- g) Experience of group members in use of local resources in society
- h) Dependency on program staff in conducting group activities
- i) Was savings and credit accounts of beneficiaries and records keeping system adequate for transparency?
- j) Was the amount of credit to the beneficiary sufficient for economic development?
- k) What is their (beneficiaries') competence level/how far are they successful, in socio-economic development and group management?
- l) Scope of learning new skills to improve income by members.
- m) How does people use the extra income? Who use the major portion in the family?

6. Impact Assessment:

- a) Assess the level of achievement of the Project in terms of poverty emancipation/ economic sustainability of the beneficiaries?
- b) Is current income earning capability of members is adequate to maintain income?
- c) Development of members' skills in different trades to improve income
- d) Capability of members to utilize credit for income generation
- e) Capacity of members to utilize earned income for family development.
- f) What was the impact of the natural calamities?
- g) What is the impact of the project on the community?
- h) What lessons can be learned both positive and negative, particularly for planning and implementing a similar project by NYMCA?
- i) Has this project has influenced the nearby communities? If yes, in which way?

C. METHODOLOGY

The evaluation will be participatory with an external Team Leader (Mr. Harun-Or-Rashid) with representatives from NCYB, Local YMCAs and SF (if available).

Six local YMCAs are in the purview of the evaluation: Birishiri, Bogra, Dinajpur, Gopalgonj, Kaligram and Edilpur YMCAs. Since the project has old and new YMCAs for the evaluation period

(2001-2005) the following YMCAs (from old and new) will be reviewed for the evaluation purposes:

- Birishiri (Netrokona) YMCA
- Bogra YMCA (Sariakandi, Kutubpur and Gabtoli branches)
- Kaligram (Gopalgonj, Moksedpur braches)

The field work and the reporting will be conducted during 23 December 2006 and 25 January 2006; the Final report will be submitted to Strømme Foundation on 25 December. Long time span has been considered due to political situation, YMCA training center opening ceremony, Christmas holidays and general election in Bangladesh.

D. FINANCIAL TERMS

Strømme Foundation will negotiate and pay the Team Leader a package of honorarium and related costs of the Team Leader. NCYB will arrange transport for the evaluation team. YMCA may provide food and accommodation for the Team Leader on reimbursable basis.

Annex II: List of Documents Reviewed/Consulted

1. Project Proposal
2. Annual Reports: 2005
3. Financial Statements: 2006
4. Savings and Credit Manual
5. Service Rules
6. Books of Accounts: Cash Book, General Ledger, Subsidiary Ledgers
7. Members' Passbook, Collection Sheets, Loan Application Form, etc.
8. Various formats used in microfinance program.
9. Project files and other internal documents.

Annex III: List of Persons Met /Interviewed

STAFF

Gopalganj YMCA

1. Paul Barai, General Secretary
2. Siman Bala, Accountant (Microfinance)
3. Barun Hawlader, Accountant (General)
4. Bivas Biswas, VTC Instructor
5. Liton Baroi, Field Worker
6. Simson Mondal, Field Worker
7. Bakul Rani Biswas, Field Worker

Bogra YMCA

8. Robert Robin Marandi, General Secretary
9. Accountant
10. Swapon Soren, Project Coordinator
11. Tapon Aindh, Branch Manager, Gabtali Branch
12. Field Assistants, Gabtali Branch
13. Instructor, Vocational Training

Kaligram YMCA

14. Swapan Baroi, General Secretary
15. Tama Bairagi, Credit Manager
16. Mintu Bairagi, Accountant
17. Rasamoyee Bala, Sr. Field Assistant
18. Salma Khanam, Jr. Field Assistant
19. Monju Baroi, Jr. Field Assistant
20. Sukhendhu Bairagi, Supervisor, Shanglap
21. Papi Mandol, Animator, Shanglap
22. Mukti Mallik, Animator, Shanglap
23. Shilpi Bala, Animator, Shanglap
24. Sheuli Das, Animator, Shanglap
25. Puspa Hira, Animator, Shanglap

BOARD OF DIRECTORS

Gopalganj YMCA

1. Reverent Simual S Bala, NC Member
2. Reverent David S Biswas, President
3. Prabash Barai, Vice President
4. Simon Das, Member
5. Martin Biswas, Cashier
6. Tutul Bala, Member

GROUP MEMBERS

1. Gopalganj YMCA: 21 Group Members from 3 Groups, Ragunathpur, Gopalganj
2. Kaligram YMCA: 26 Group Members from 4 Groups, Nanirkhir, Maksudpur Gopalganj
3. Bogra YMCA: 19 Group Members from 3 groups, Sonarai, Gabtali, Bogra

ADOLESCENT GIRLS AND BOYS

Adolescent girls and boys of 3 Shanglap centers visited in Kaligram and Bogra