

A. Title of the Research

Ektee Bari Ektee Khamar (EBEK) Project: Challenges and Potentialities

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B. Objectives of the Study

The general objective of the study is to find out the operational efficiency and limitations of Ektee Bari Ektee Khamar (EBEK) project in reducing the rural poverty of Bangladesh. The specific objectives are to:

- i) Examine the operational aspects of the project at the field level in the light of project documents and guidelines;
- ii) Find out how far the desired outputs like VDOs, capital, productive assets, skill of beneficiaries, marketing centres, Information Communication Centre (ICC) etc of the project are attained;
- iii) Assess the outcome such as agricultural productivity and self-employment status of the beneficiaries of the project;
- iv) Evaluate the impact like household income and incidence of rural poverty along with prospect of institutionalization of VDOs of the project; and
- v) Find out the governance, overall effectiveness, weaknesses, strengths, potentialities and sustainability of the VDOs as well as project.

C. Research Methods

Survey Design

The study used both quantitative and qualitative approaches for collecting and analysing the data. Mostly primary data were used for analysing purpose. Cross sectional primary data were collected through different methods and tools. The study team reviewed different publications, research reports, newspaper articles and previous project evaluation documents to have clear understanding about the EBEK project activities and its achievements so far. The team collected data through;

- Sample Survey
- FGDs
- Case Study and
- Field Observation

Sampling Technique and Determination of Sample Size

Multi-stage random sampling technique was followed to select sample Village Development Organizations (VDOs). From eight Divisions of Bangladesh, one district from each Division was chosen randomly. Two Upazilas from each of the eight districts and two VDOs from each Upazila were selected randomly. Thus, a total of 32 VDOs were randomly selected from all over the country.

Household Sample Survey

Simple Random Sampling (SRS) technique was followed to identify the VDO members for household survey. For this study, the team selected 32 VDOs and each VDO consisted of 60 members. Hence, the population size was **1920**.

For finite population, the sample size was calculated by using the following formula (Kothari 2004);

$$n = (z^2 \cdot p \cdot q \cdot N) / \{e^2 (N-1) + z^2 \cdot p \cdot q\} \dots\dots\dots (i)$$

Where,

n = Sample size for finite population

z = z value (e.g. 1.96 for 95% confidence level)

p = Percentage of population picking a choice (expressed as decimal) (assumed to be 0.5 (50%))

q = Percentage of population not picking a choice (expressed as decimal) (assumed to be 0.5 (50%))

e = Margin of error at 5% (0.05)

N = Population size (1920)

According to the above formula (i) the estimated sample size was **320**. Ten members (6 women and 4 men) from each VDO were selected randomly for household survey. The list of Upazilas was prepared in each district at first and then two Upazilas were selected from each district randomly. Similar strategies were followed in case of VDOs, by making the lists of two groups in terms of length of operation; one is for 3-5 years of operation, another one for above 5 years in each Upazila. Then one from each group i.e. two from each Upazila was selected at random accordingly.

Detailed sampling plan for household survey along with the sample size is presented below;

Name of the Division	Name of the District	Name of the Upazila	VDOs	Sample Size per VDO	Sample Size
Barishal	Barishal	Barishal Sadar Agailjhara	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Chattogram	Cumilla	Homna Burichong	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Dhaka	Narshingdi	Raypura Belabo	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Khulna	Khulna	Rupsha Dumuria	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Mymensingh	Netrokona	Atpara Mohangonj	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Rajshahi	C.Nuabgonj	Sadar shibgonj	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Rongpur	Lalmonirhat	Sadar Patgram	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Sylhet	Hobigonj	Madhabpur Chunarughat	4 VDOs	10 (6 women and 4 Men)	4 x 10 = 40
Total	8 Districts	16 Upazilas	32 VDOs		320

Focus Group Discussion (FGDs)

To collect qualitative information about the EBK project interventions and their impact on the socio-economic development of the target groups, FGD was supposed to be conducted in each of the randomly selected Upazilas. But at the end, a total of 10 FGDs were conducted in Chattogram, Rajshahi, Rangpur, Dhaka and Sylhet Divisions only by the study team members in the respective Upazilas. Approximately 15-20 participants attended each of the FGDs. The FGD participants were VDO-members, local government representatives, BRDB officials, Upazila Chairman, UNO, local leaders etc.

Case Studies

For in-depth analysis and understanding of the success and failure of the VDOs, eight case studies were conducted under this study. Four successful VDOs and four unsuccessful VDOs were purposively chosen from eight districts. A thorough investigation and analysis was done to find out the cause and effect relationship behind the success and failure of the selected VDOs.

Data Collection

Quantitative Method: Primary data were collected through different methods based on the types and needs of data. For collecting quantitative data structured interview schedule was used (Annexure 1) and data were collected through face to face interview. Before data collection the data enumerators received basic hands-on training from the study team members. Monitoring of the data collection was done simultaneously by the researchers.

Qualitative Method: Focus Group Discussions (FGD) were conducted to gather qualitative data on various aspects. Checklists and open-ended questions were used in collecting qualitative data. Data collection tools are attached as Annexure 1, 2, 3 and 4.

Data Processing and Analysis

Computer based software (CSPro) was used for data entry and processing. Research investigators of Research Division of BARD performed the functions of data entry developed by an expert data analyst.

Quantitative Analysis: For quantitative data analysis MS Excel and CSPro software were used. Mostly tabular analysis was done with t-test and standard deviations. After statistical analysis data were presented into different graphical forms such as bar chart and pie chart.

T-test was used to compare two different sets of values. This test compares the mean of two samples. For this research t-test was employed to test the significance of some defined variables before and after intervention of EBK. The formula of t-test is;

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}} \dots\dots\dots(ii)$$

Where,

X_1 = Mean of first set of values

X_2 = Mean of second set of values

S_1 = Standard deviation of first set of values

S_2 = Standard deviation of second set of values

n_1 = Total number of values in first set

n_2 = Total number of values in second set.

Qualitative Analysis: Since qualitative analysis differs from quantitative analysis, special ways were followed to analyse qualitative information. The beneficiaries of the project were also asked to rate the overall performances of the project through five point Likert scale. Scale 1-5 was used to determine the level of agreement on the services of the project. Each respondent was asked to indicate the extent of agreement against each statement along a 5-point scale, i.e., ‘fully agree (5)’, ‘agree (4)’, ‘not known (3)’, ‘disagree (2)’ and ‘totally disagree (1)’. The total score of a respondent was determined by summing up the weights for responses against each statement which is shown under ‘aggregate score’. Thus, aggregate score against each statement was calculated by the formula $\frac{\sum f_i x_i}{\sum f_i}$. The score value ranges from 1-5, the higher the value, the higher the agreed upon responses and vice versa.

D. Major Findings

- Majority of the VDO members are in the age group of 31 to 50 years. Most of the VDO members belong to working age and they can utilize their potentialities to bring positive change in their economic and social status.
- A diversified occupational structure was found among the VDO members of the EBK project. Agriculture is no longer the only primary occupation of all respondents. Only 15.3% of the respondents reported that agriculture is their primary occupation while about 26% of the respondents have taken it as their secondary occupation.
- The average family size of the VDO members of EBK project in all divisions is 4.98 comprising 2.37 adult male, 2.29 adult female and 1.16 children under 5 years. Chattogram Division has the highest family size of 6.25 whereas the lowest family size of the VDO members is found in Khulna Division (3.93).
- The average land size of the respondents in all divisions is 57.4 decimals including 38.2 decimals of cultivable land, 12.9 decimals of homestead land, 3.9 decimals of pond, 1.0 decimal of fallow land and 0.6 decimal of other types of land. The VDO members from Chattogram Division possess the highest amount of total land (109.7 decimals) whereas the VDO members of Rajshahi Division possess to the lowest amount of average land (28.1 decimals).
- Regarding upgradation of pass book, 99 percent respondents responded positively that their pass books were regularly upgraded. However, the deposit of contributory savings from project authority was found a little bit irregular.

- Among the respondents, 82% deposited savings on a monthly basis. On the other hand, 14.06% respondents deposited the monthly savings at irregular intervals. On an average, each member saved Tk. 6,866 although average amount of savings at the highest was Tk. 8,501 in Chapainawabganj District and the lowest amount was Tk. 6,078 in Sylhet District.
- The respondents got varying amounts of contributory savings from the project depending on the length of time of membership and amount of personal savings. The average contributory savings varied from Tk. 4,192 (Habiganj) to Tk. 4,800 (Cumilla and Khulna) while the average amount of contributory savings for all districts was calculated to be Tk. 4,610.
- The survey reveals that almost all respondents (99.7 percent) received loan. Average size of loan amount varied across the geographic divisions of Bangladesh. According to guidelines of the project, a member can receive an amount of Tk. 10,000 for the first time, Tk. 20,000 for the second time and Tk. 30,000 for the third time. It was found in the survey that the highest and the lowest average size of loan for the first time ranged between Tk.13,750 (in Chattogram) and Tk. 8,675 (in Sylhet). For the second time, the amount varied between Tk. 21,000 (in Chattogram) and Tk.15,089 (in Rajshahi). For the third time, the amount varied between Tk. 27,777 and Tk.19,130. It indicates that there is a small deviation between the existing guidelines and practices at the ground with regard to distribution of loans to members.
- According to a considerable number of respondents, the current loan approval process was time consuming as result of a number of steps. It was found that the loan approval process in some cases took more than one month, and in an extreme case it took more than six months. Most of the respondents expressed that loan approval process is a little bit slow compared to NGOs. Therefore, they put much emphasis on reducing time of loan approval process.
- It was observed that among the members of the societies of EBK, there was a high demand for increased amount of loan. They expressed that the initial amount of loan should be increased to at least Tk. 50,000.
- The project has installed a software to provide information such as loan information, government grants information, asset information, society's balance information, including mobile banking. In this regard, the respondents were asked whether they were informed of e-service of the project. Majority of the respondents (56 percent) responded positively and 44 percent negatively. It indicates that a sizeable portion of respondents

was not aware of online based credit operation system of the project. Some participants pointed out certain difficulties with SMS. First, some borrowers could not read SMS. Second, sometimes they missed SMS due to some reasons. Sometimes, SMS was deleted due to ignorance. Sometimes, they had changed mobile number.

- It was learnt that among the general members, 120 (37.50%) out of 320 received training while 200 (62.50%) were not imparted training from the project. The respondents were asked whether they had received any complimentary supports after training. In reply, 312 (97.50%) said that they did not receive any kind of technical support after training.
- The current average monthly household income of the respondents from all the Divisions is significantly high compared to the monthly household income 5 years earlier. On an average, all the respondent VDO members have increased their monthly household income by 46% within the period of 5 years after being the members of the EBK project. The highest average monthly income of the respondents was found in Khulna Division which has increased by 70% whereas the lowest average monthly household income of the respondents was found in Sylhet Division which has increased by 25.5%.
- Changes in the number of cell phone of the beneficiaries were found positive in all the eight divisions. The number of cell phones per household increased from 1.35 before enrolment to 2.02 after enrolment as VDO members. The highest number of cell phones per household was found in Chattogram division and the lowest was found in Mymensingh division.
- Five different types of housing walls were found in the study areas. These were: mud, tin, thatched, brick and wood. Most of the beneficiaries' house wall was made of tin followed by brick. It was found that mud and thatched walls of the houses of the beneficiaries decreased and tin and brick walls increased which indicates the improvement of their economic condition and standard of living. Most of the house roofs of the beneficiaries were found to be made of tin (272 before and 300 at present). A few roofs were made of straw covered, thatched, tallied and cemented.
- Most of the beneficiaries (189 before and 217 at present) own latrine made of Ring Slab. A good number of beneficiaries (51 before and 85 at present) have pacca sanitary latrine. At present, the number of *Kutchra* latrine has declined remarkably (69 before and only 18 at present) and no open place defecation was found.
- Number of income earning members has increased in all the eight divisions. The highest number of income earning members was found in Chattogram division (2.15 before and

2.7 at present) and lowest was found in Sylhet division (1.1 and 1.4 before and at present respectively).

- Among the beneficiaries, 95% opined that their self-employment opportunities increased and only 5% opined that it remained same as earlier. Among the beneficiaries, 94% opined that their poverty decreased and only 6% opined that it remained same as earlier.
- Among the beneficiaries, 96% opined that their social dignity status improved and only 4% opined that it remained same as earlier. Among the beneficiaries, 95% opined that their livelihood status improved and only 5% opined that it remained same as earlier.
- The t-test result shows that significant changes occurred among various assets of the beneficiaries after joining the EBK project. Amount of household land holdings, TV, Mobile Phone and number of earning members are found highly significant at 1% level of significance whereas number of cows and buffalos is found significant at 10% level of significance. On the other hand, amount of pond and number of goats and lambs are found non-significant.
- Chi-square test was also conducted to identify significance differences of some qualitative aspects of the beneficiary households before and after the project intervention. The result shows that housing status, drinking safe water, sanitation status and electricity consumption status have significantly improved at present compared to the period before joining the EBK project. The Chi-square test found that all the above mentioned indicators are significant at 1% level of significance.
- According to the project documents, each VDO must have 60 members consisting of 40 female and 20 male. This study identified that 78% of the VDOs had full members during establishment while other 22% of the VDOs had less than 60 members during their commencement. However, during the study period it was seen that 75% of the VDOs had full members while 25% of the VDOs were in shortage of members.
- This study investigated the frequencies of the members' dropout from the VDOs while gathering the information from the selected VDOs in the study areas. The result shows that in care of about 38% of the VDOs no member had left the VDO since they joined the organization. It was also found that 1-5 members from 38% of the VDOs had left the organization while 19% of the VDOs reported that about 6-10 members had left the organization. Only two VDOs reported that about 16-20 members have left the VDO since their commencement. On the other hand, 94% of the VDOs reported that no

member had been expelled from their organization. Only 6% of the selected VDOs mentioned that 1-5 members from their VDOs had been expelled so far.

- The study found that on an average 7 members of each VDO received some sort of IGA training. It was found that 10-20 members received IGA training only in case of 9% of the VDOs while in case of the rest of the VDOs only 1-10 members received IGA training.
- It was found from the study that the mean increase of fund over the last five years showed increasing trend. It was seen that over the last five years, the VDOs of the study areas were able to increase their initial fund almost three times (from Tk. 4.28 lakh to Tk. 12.94 lakh). This is quite a good sign for the VDOs to maintain the fund flow at the society level.
- It was found that the mean loan amount distributed increased so far in the studied VDOs over the last five years. It increased from Tk. 2.38 lakh to Tk. 4.61 lakh after five years.
- The mean number of *uthan biotaks* differs significantly. It ranged from 9 to 11 meetings per year in the study areas.
- A few members did not continue their membership in the organization due to various reasons. As it was observed, a big confusion prevailed among the members. The members were told that they need to provide Tk. 200 each month and Govt. will provide same amount to each in their respective account. Some members did not have the idea that the 'incentive bonus' given by the Government. would be deposited in society account and cannot be withdrawn at any circumstances and it is the property of the society, not of the individual members. Another confusion was observed about the own savings amount, which they thought could easily be adjusted with the bad debt. In many places, there had been brawl over this issue between the beneficiaries and project management at the local level. Some of the beneficiaries argued that they need to provide interest to the Bank when they take loan, but instead, they are not provided interests on their savings amount and it cannot be withdrawn from the account in case of their need. This has created serious problem in running the society smoothly at the initial level. For these reasons, a few members left the society bearing mistrust in the society management.
- A number of problems were identified by the respondents, among which the most serious problems as felt by the respondents are - poor loan amount (88%), shortage of training (52%), no society office (45%) and loan not given timely (17%). Other problems are - shortage of field supervisor, poor monitoring, no provision of loan exemption in case of death of the borrower, etc.
- It was found from the analysis that loan receiving methods, e-service, importance of monthly meeting, monitoring of field staff got the highest score over 4 which means that majority of the beneficiaries have agreed to the statement made on the project services.

The issues that got the lower score are – member selection process, IGA training, e-service, savings condition and the amount of loan.

- Each VDO of EBK is being operated by an eleven- member executive committee of the society. The Field Assistant and Field Supervisor of EBK monitor the activities (especially deposit of micro-savings and loan repayment activities) of the VDOs.
- The members of village Development organizations (VDOs) have been engaged in different types of IGAs by utilizing the loans taken from their common fund. The IGAs include cattle rearing, poultry, fish culture, small business and agriculture.
- Gradually poverty is reducing among the EBK beneficiaries. Their income is increasing and they are becoming self-reliant gradually. A number of beneficiaries have become shop keepers and their economic solvency has become quite visible.
- There are some advantages of EBK loans. The interest rate is minimum and repayment system is also quite flexible. Borrowers do not need to pay installments weekly. Repayment of loan is also quite satisfactory. However, there are some beneficiaries who have got loans from NGOs as well and it has been difficult for them to repay loans in due time.
- All the participants unanimously agreed that EBK project has been able to improve the social and economic status of the beneficiaries to some extent.
- As the number of female members is 40 (out of 60) in each society, women got the opportunity to express their loan demand in the ‘courtyard meeting’. The project has made the loan available at their doorsteps which not only helps to promote women empowerment, but also enhances the capacity to utilize the loan effectively for increasing the household income. The female and male beneficiaries become acquainted with the e-service of project implementation process. The managerial skills of women who are actively involved with the project have increased.

Current Challenges

- There is no suitable place for conducting monthly meeting (*Uthan Boithak*).
- The loan amount for first term is only Tk. 10,000.00, the highest is about Tk. 30,000. Both are needed to be increased in order to expand the investment opportunity. The minimum loan ceiling could be Tk.20,000 while the maximum Tk. 50,000 to gain maximum profit out of investment.
- The time requirement for the approval of the loan is sometimes more than 2 weeks. It needs to be brought down to 4-5 days in order to increase the room for many loan sanctions. Some steps in the loan approval process could be withdrawn to facilitate speedy loan approval process (for example signature of RDO).
- Currently provision for ‘**incentive bonus**’ for the beneficiaries in the society is two years. This period of incentive bonus is only the first two years, but this message has not been passed on neither by the project management nor by the society management to the

beneficiaries properly. Moreover, the message that this bonus is given to the society only has also not been communicated properly. This has made a serious confusion amongst most of the beneficiaries. After knowing the fact now in most cases, the rate of own savings in the society is decreasing rapidly as no bonus is there.

- According to the previous system, Chairman and Manager of the society were entitled to have ‘allowance’ for running the society. As the allowance stopped after the first two years of establishment, the sincerity and devotion of the ‘society management’ decreased over time, resulting in poor collection of savings and low rate of return of the loan in a few Upazilas.
- Presently, there is no provision of loan adjustments with the own savings of the beneficiaries. Also, there is no clear cut decision of the adjustments of bad debts even in the case of sudden death of the beneficiaries. Moreover, in case of emergency needs of the family of the beneficiaries, there is no provision of withdrawal of own savings either in full or in partial form.
- At the society level, there is a mandatory preservation of at least 10% fund of the total in the account of the beneficiaries after disbursement of all approved loan amount at any point of time. Moreover, the society cannot also disburse the amount added from 8% interest of loan from the account. If this bar is withdrawn from the society, more loans could have been provided to the deserving beneficiaries.
- The number of training programmes for the beneficiaries is very limited. It is not always rationally organized keeping the focus on local needs, skill requirements and income generating opportunities.
- Now only one Field Assistant is posted in each Union under this project. Currently he/she needs to take care of 12-18 societies, which creates enormous pressure on the Field Assistant resulting in the poor monitoring of the societies. In a few Upazilas, even the number of posted field staff is far less than the approved posts. For better monitoring of the loan activities, at least two Field Assistants could be deployed in each Union irrespective of operational area of the societies.
- Presently, the number of members in each society is 60, the female members were 40 whereas the male members are 20. This size could be broken down to smaller size for better management and monitoring.
- One field level officer is not enough to supervise field level activities. In these circumstances, the field level strength of EBK could be increased.
- The field staff of EBK expressed that the matter of profit or interest on savings is not clear for which they cannot give proper explanation to the beneficiaries.
- It was learnt during the discussions that some members purchased share of “Palli Shanchoy Bank” but did not receive certificates.
- It was suggested that the project should give clear guideline for measures to be taken in case of loan default.

- Societies need to be motivated for joint ventures to make IGAs more profitable and create more employment. This could bring rapid changes in the rural economy.
- It was also suggested by the participants that some assets can be transferred as grant to the poorest members of the VDOs. This could help them increase their loan utilization.
- In some societies there are more than one VDO members from same family. Sometimes this creates problems regarding timely repayment of loan.
- There is no logistic support from the project side for organizing meetings of VDOs. The beneficiaries desire some logistic support like chair, mat etc. for sitting during meeting.
- High target is given for creation of VDOs and inclusion of beneficiaries. The target could be rational.

Policy Implications and Recommendations

- Society office could be established at Union level so as to strengthen monitoring of activities of the beneficiaries and field staff.
- Loan size could be re-fixed at Tk. 20,000-50,000 depending on the business opportunities at the community and capacity of repayment of the beneficiaries.
- Withdrawal of own savings above Tk. 5,000 on a very special case could be allowed so as to meet the emergency needs of the beneficiaries with the approval of the Upazila project management upon the recommendations from society management.
- Providing 5% interest on the savings of the beneficiaries' right from the first year and showing it in the passbook could help gain the confidence of general beneficiaries.
- Provision could be made for reconciliation of bad debts from society fund which can be created from a portion of loan interest (8%) that is added to the society account on a regular basis. But the whole process needs to be approved by the Upazila project management upon the recommendations from society management.
- Loan approval process needs to be made faster through quitting some steps (like signature of field supervisor, RDO).
- For escalating staff morale, all staff positions need to be fixed either for long term or be transferred to *Pally Sanchoy Bank* in due time by providing service guarantee.
- To encourage local entrepreneur, the possibilities of establishing '*co-operative market*' for the various products grown by the EBK beneficiaries at the different locality of the country need to be explored.
- Training on IGA is not sufficient. There should be more provision for training for the VDO members. The training should be related to the IGA that a particular VDO member wants to investing. To cover all the VDO members under IGA training, Master Trainers could be developed among the VDO members on different trades. These Master Trainers will train the other members of the VDOs. Training of Trainers (ToT) could be arranged to develop Master Trainers. It is obvious that the strong role of the VDOs is important to

uplift the socio-economic conditions of the members. It is an undeniable fact that the higher the IGA activities at the VDO level, the higher the opportunity for the members to become self-reliant and the faster the rate of poverty alleviation in the village.

- UP Chairmen and Members are not actively involved in forming VDOs and at the time of disbursement of loan to the beneficiaries. Their involvement could be increased. UP representatives and local elites could be included during disbursement of loan for making it more transparent.
- Regular *Uthan Boithak* is essential for VDOs, but in most cases, it is irregular. The attendance of beneficiaries in the meeting is also not up to the desired number. Regular *Uthan Boithak* and attendance of members should be ensured by the Field Worker of EBK.
- The loan approval process can be delegated to URDO, if the loan-amount is less than Tk.30,000. Some respondents pointed out that they could not read SMS. As a result, they faced difficulties in receiving loan from the bank. The message of SMS could be in Bangla and training could be arranged in this regard.
- In order to satisfy demand of loan, a number of suggestions are: First, contributory fund to the society could be increased. Second, special loan allocation could be provided to disaster-prone areas. Third, at present, service charge on loan (8 percent) is being deposited in the society's fund, but this amount is not utilized due to lack of guidelines. Therefore, the fund could be increased through adding amount of service charge with society's fund. Fourth, interest on society's savings should be paid regularly from the bank, so that society's fund can increase and members become encouraged. Fifth, according to existing principle, the society has to keep reserve amount (10 percent) of total fund of the society. The fund of the society could be increased through utilizing this reserve fund in credit activities by the members.
- A number of issues have been pointed out by the participants of FGDs with regard to effective loan management of EBK. **(1)** skill development training on income generating activities (for example, cattle-fattening, poultry rearing, small business etc) could be arranged from the project, so that borrowers could effectively utilize their loan money. **(2)** borrowers could be informed through SMS with regard to payment and remaining balance of their loan. **(3)** for effective local level monitoring, supervision and loan realization, Chairman and Manager of the respective society could be involved, and for this service, a little honorarium from service charge can be provided to them. **(4)** a branch office could be established at the Union Complex for effective management of society as well as loan recovery. **(5)** for increasing fund of the society, government can continue to provide contributory fund to the society for five years. **(6)** for risk management (for example, sudden death of borrower or serious illness), there should be some security fund to support defaulter. Besides, a principle could be taken to re-adjust his/her savings with his/her loan in case of death. **(7)** online loan application could be introduced. **(8)** loan application form could be more simplified (reducing number of forms, signatures of a number of stakeholders). **(9)** project can provide marketing support to the borrowers for their products. **(10)** field organizers could be provided training on

record keeping, accounting and loan management. **(11)** guidelines are needed with regard to utilization of service charge of loan. **(12)** proper supervision has to be ensured so that loan money could not be misused. **(13)** societies could be rewarded based on better performance of credit operation in terms of repayment, proper utilization etc. **(14)** grace period for loan recovery could be introduced for three months.