



**Impact Evaluation
of
Rural Women Development Project (Revised)**

Conducted by
Evaluation Sector
Implementation Monitoring and Evaluation Division
Ministry of Planning
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Impact Evaluation of Rural Women Development Project (Revised)



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Executive Summary

1. Introduction:

This report presents findings of the final evaluation of the "Rural Women Development Project (Revised)", which was designed for development of rural women in Bangladesh, particularly, who are illiterate, disadvantaged, malnourished, and poor deprived by tradition and cultural norms. It has covered 2/3 villages from each of 130 upazilas of 64 districts in the year of 2004-2009. The total cost of the project was Tk 1017.84 lakh.

2. Study Methodology: The assessment of the project impact has been done by following the project and control approach considering the absence of baseline study and recall problem of beneficiaries about their situation in pre project period.

3. Objectives of the "Rural Women Development Project (Revised)"

- i) In the light of the government poverty reduction strategy papers (PRSP), to impart short training on agricultural and non-agricultural trades on the basis of local demand with the help of local administration.
- ii) To organize encourage rural poor and distress women to participate gainful economic activities.
- iii) To provide micro-credit for production oriented activities with a view to generate self-employment and reduce poverty
- iv) To empower organized women and create awareness among them through non-formal education
- v) To motivate rural women in respect of health, nutrition, orsoline, usefulness of drinking pure water, mother's and child care, family planning, etc. in order to improve their standard of living.
- vi) To make the local women aware of the existing laws and different facilities with a view to maintain women's right and resist women oppression.
- vii) To develop women entrepreneurship in the rural areas.

4. Objectives of the Current Assignment:

- a. To review the implementation status of major components of the project such as selection and formation of groups, training imparted to beneficiaries, awareness program, working capital/credit and loan, women empowerment, women entrepreneurship, women's right and resist women's oppression.
- b. To assess the program benefits on beneficiaries in terms of changes in income earning, assets, employment generation, and other beneficial changes in standard of their living, awareness and socio-economic betterments.

- c. To identify the strengths and weaknesses of the project.

5. Distribution of Sample

Division	District	Upazila	Area type	
			Project Area	Control Area
Barisal	Jhalakhati	Nalchiti	21	29
Chittagong	Cox's Bazar	Ramu	51	24
Dhaka	Gopalganj	Kotalipara	20	24
	Sherpur	Zinaigati	39	27
	Sariatpur	Naria	58	17
Khulna	Narail	Kalia	52	30
	Jessore	Jhikargacha	39	18
Rangpur	Rangpur	Pirganj	40	29
Rajshahi	Sirajganj	Kazipur	13	24
Sylhet	Sylhet	Sadar	20	27
	Total		353	249

6. Limitation of the Study: In Bangladesh selection criterion of beneficiary under any pro poor program is selected traditionally strictly on the basis of land ownership. While selecting beneficiaries under the RWDP, the **Jatiyo Mohila Sangshtha (JMS) did not follow any such standard criteria.**

7. Major Findings

The major findings of the project are highlighted below

A. Demographic and Land Owning Status-Project and Control Households.

1. Thirty percent of beneficiaries own up to 10 decimals of land (Table 2.4) and 46 percent do not own agricultural land;
2. It was not mentioned anywhere in the project documents that what should be the land ownership pattern of the rural poor and distress women of the target group beneficiaries. Thus, a comparison of the average size land owned by households of project area with that of comparable control area reveals that it is exceedingly downward biased to control area (i.e. 36.20 decimals for project area and 15.64 decimals for control area).
3. The average household size of beneficiary is 4.3 against 4.2 in the control area (Table 3.1), which is also significantly less than that mentioned in MWCA 2006.
4. Marital status of beneficiary reveals that married beneficiary accounts 89 percent against 89.4 percent in the control area and also 81.7 percent in MWCA 2006 (Table 3.2).
5. The nuclear type of family is overwhelmingly high in both project and control areas (i.e. 94.4% and 94.1%)(Table 3.4). This exhibits that the charm for living

with extended family is fading, which may be partly due to women empowerment and partly due to reduction of dependence on agricultural land for earnings and desire to attain self sufficiency.

6. Only 29.2 % of household heads are women in project area against 16.5 percent in control area which may be treated with the advent of microcredit, the leadership in the family started to change in favor of women (Table 3.5).

B. Education, Dwelling Houses, Water, Sanitation, and Electricity

7. It is further evidenced from Table 3.6 that the average number of children pursuing education is 1.88 in project households against 1.70 in the control households. This indicates that with the rise in household income of beneficiaries, the offspring are being enrolled in educational institutions in larger number than that of non-beneficiaries (Table 3.6).
8. The proportion of household members with no education is 1.30 percent for project area against 10.2 percent in control area. The rate of literacy of beneficiary is distinctly above the national literacy rate.
9. The level of education shows that the beneficiary represents 15.1 percent of SSC and above graduates against that of 6.7 percent in the control area and 4.2 percent mentioned in the MWCA-2006. This further indicates that the beneficiary household is better endowed with the reserve of educated person than others (Table 3.7).
10. About 93 percent of beneficiaries owned dwelling unit against about 84 percent in control area. About 5.9 percent of beneficiaries and 15.7 percent of non-beneficiaries are found living in dwellings built on other land without rent.
11. Housing condition is an important indicator of well-being which has significantly improved because of RWDP program. Most of the RWDP beneficiaries now possess a secured house having roof made of bricks or tin (CI sheet) with brick wall in larger proportion than those in comparable control area (Table 3.10).
12. Only 4.8 percent of beneficiaries lived in the thatched/kutchha house against 17.7 percent in control area (Table 3.10) which may be due to changes in economic condition of RWDP beneficiaries.
13. 99.4 percent of beneficiaries use drinking water from tube well against 96 percent of control groups (Table 3.11).
14. User of sanitary latrine and ring slab latrine jointly represent 91.8 percent in project area against 59.8 percent in control area and the user of open fields or bushes is nil in the project area. (Table 3.12).
15. About 78 percent of RWDP beneficiaries are connected with electricity against 45.28 percent in control area, which indicates that the small rural entrepreneurs are the major users of nationwide electricity network, both at the factory and at the domestic levels (Table 3.13). This can be treated as contribution of RWDP microcredit program.
16. Average size of land owned by the project beneficiary in group 1 is one ninth of that own by group 2 indicating that the land distribution is highly skewed. It is well accepted in Bangladesh that land is the principal determinant of social

status. So the selection beneficiaries should be done according to land ownership status.

17. About 45.89 percent of project households and 73.09 percent of control households do not own any agricultural land implying that a significant size of both project and control households have little connection with agricultural crop production. They are connected with agriculture either as tenant land operator or as supplier of wage labour or as kitchen gardeners.

C. Employment, Economic Participation and Income Growth

18. The working age population of beneficiary households constitutes 68.6 percent of total population against 61.2 percent in control groups. Obviously, this indicates that beneficiary households are endowed with high reserve of working age population (Table 3.12).
19. The economic participation rate of women in beneficiary household is 44.31 percent against 18.87 percent in non-beneficiary households. This can be another fulfillment of objective to involve women in income generating activities in greater number and thus help contribute family income and alleviate poverty.
20. The economic participation rate of beneficiary households is about 66.19 percent against 57.23 percent in control area. This implies that the family members of the beneficiary are very much active and trying to involve themselves in all economic activities whatever available at the local level and to increase household income to alleviate poverty and to pay regular monthly due installment. Activating household members to engage in economic activity comparatively at a larger proportion than other may be a direct positive impact of RWDP microcredit and thereby a way to alleviating from curse of abject poverty and persistent indebtedness.
21. The employment intensity is 124 percent in the project area and 113 percent in control area (Table 3.18), which indicates that the microcredit has been able to create additional employment opportunity for the beneficiary at a comparatively larger proportion, which was one of the objectives of the RWDP project. This further reveals that one in every four working members beneficiary households have secondary occupation against one in eight in non-beneficiary households..
22. Structure of employment implies that agriculture accounts only 35.8 percent employment of beneficiary households against 40.52 percent of control households. This further, indicates that the other sectors are started jointly dominating rural employment over agriculture (Table 3.19).
23. Income per capita per month ranges between Tk 1473 and Tk 4552, which broadly indicates that the beneficiary has income more than that estimated for upper poverty line income using the CBN method for the rural areas in the HIES 2010.
24. The control household earns on average about 73 percent income of a beneficiary household belongs to group 1. While in the case of group 2 the average per capita monthly income of RWDP beneficiaries is about 28 percent higher than that of the corresponding group income of the control household (Table 3.20). Thus this clearly indicates that microcredit has helped to raise per

capita income of beneficiary thereby poverty reduction which was an objective of the RWDP.

25. Distribution of income by source of income suggests that share of income from petty trade dominated with a larger share than others in every division and the share of nonagricultural wage income supersedes share of agricultural wage income or share of income from agricultural production (Table 3.21).
26. Gini-coefficient indicates that distribution of beneficiary income is more skewed than that of control household but it is less skewed than that of HIES 2010 (0.29 against 0.431).

D. Credit, Asset-accumulation and Food Security

27. Impact on asset creation indicates that about 98 percent of beneficiary is benefited from the project and created an average asset to TK 12,804 which is 18.59 percent of average value of assets created. This further supports that cash transfer of one Taka subsidy to the rural poor generates savings more than the seed money and incase of Grameen Bank it is Tk 7 per taka.
28. In terms of food security only 19.8 percent of beneficiary suffers from food security for one to three months deficit and 1.9 percent up to six months deficit. So the policy makers have to prescribe policies and to take bold initiatives, so as to free 21.7 percent of beneficiaries to overcome persistent food insecurity.
29. It is estimated that 80.2 percent of project household are at least at break even point of food security. This may be a notable impact of food security.
30. The loan recovery rate indicates that 9.31 percent of loan (principal with service charge) is over due. The rate of recovery is 90.69 percent, which is very much encouraging.
31. The effective rate of service charge without surety bond 15.04 % against 22.92% with surety bond
32. The average number of loan is slightly higher than one which is far below of the proposed target. The project document proposed that a beneficiary would receive 3 successive loans to generate expected income of Tk 3000 per month.
33. The average monthly income from the project investment is Tk. 1177 which is about one third of the expected income proposed in the project document.

E. Women Empowerment

34. On the betterment socioeconomic front it is revealed that status of women in households has been progressed outstandingly compared to their position prior to joining the RWDP. Only less than one percent of beneficiary incurred loss. The selected 10 indicators have shown progress (Sufficient and moderate progress).
35. Women participation in 10 major front of household decisions indicates that an overwhelming share of decisions of the household is taken by wife and husband jointly in consultation with each other. This is a very encouraging symptom in making any decision in the family, which leads to gradual empowerment of women.
36. The status of women is also found improved with the development of her faculty after joining the RWDP. The women can now take the unerring decision

on business, easily visit bank or other places, can contribute to family expenditures, violence and family torture spectacularly reduced and finally their status and dignity in the family have improved. These are the most notable contribution of the RWDP.

F. Strengths of RWDP

37. The cost of the project is solely borne by the Government. Salaries and other costs of the project come from the Government revenue budget.
38. The major strengths of the project are to get loan is very easy and interest free and needs no collateral. The project has helped create work environment, scope and avenues for employment, and also scope for self sufficiency.
39. Introduction of service charge instead of interest and not to levy additional service charge on overdue loan is considered as a bold initiative against traditional belief.
40. Introduction of three months grace period with a view to help beneficiaries make run business easy and to make loan recovery program comfortable.
41. Introduction of training arrangement on locally demanded trades and subsequently providing loans to trainees is a path breaking initiative to engage rural women with the main stream of income generating activities and thereby reducing unemployment and poverty.

G. Weaknesses of the RWDP

42. The major weaknesses of the project are inadequate size of loan, take long time to get loan, need to sign a surety bond on non-judicial stamps, no continuation of loan and not available timely. The JMS can take steps to remove these weaknesses arranging funds and taking appropriate policy decision.
43. With a view to make recovery of loan easier, submission of a signed surety bond on non-judicial stamps along with loan application and making it obligatory for an aspirant loanee is against the spirit of microcredit programme. It increases the effective rate of service charge and discourages and scares the real deserving women to avail of the subsidized loan. It is desirable to initiate and introduce an alternative to surety bond immediately.
44. There is no clear-cut rule to adjust un-recovered loan from un-willful defaulters which can be considered as procedural lacks of the programme. This may some times push the project/field coordinators to take untoward legal action to recover loan against default loanee, which may be a cause of down the status and fame of JMS.
45. The inability to arrange necessary endowment fund, to keep running a successful, decent and pro poor microcredit action program and abruptly closing it in the midway may question about the good will of JMS.
46. Intensive monitoring and constant supervision of a loanee are key to success of any microcredit programme, which RWDP is lacking.

8. Conclusion and Policy Remarks

- a. The project has revealed very positive impact at every stages of our investigation. All indicators have shown marked improvement.
- b. In the implementation stage there were some deficiencies in selecting beneficiary due to absence of clear-cut rules about the characteristics of proposed beneficiaries. The marital status is not the key issue, there are other issues too. The JMS may kindly discuss and raise this important feature for how to resolve rules for selecting loanee. In this case JMS may consult with the people engaged in implementing STUP project of BRAC. The ethical views of both BRAC about STUP beneficiaries and the JMS about RWDP beneficiaries are almost same.
- c. The weaknesses identified can be resolved easily through taking appropriate administrative decisions and policy formulation. Since the RWDP is an action oriented pro poor program, so it needs to be continued. The JMS needs a sizable amount of revolving fund as endowment fund to continue the program nationwide at least for over another decade. The JMS needs to have statutory right also to use funds generated from endowment fund to continue the program.
- d. The government may allocate a sizable endowment fund to JMS as that of allocation of massive funds to PKSF for keeping alive microcredit programs of NGOs nationwide with a view to continue this program of JMS in continuation with other social and women empowerment programs.
- e. The objective of the program is to help and empower poor and destitute women. The food security status of beneficiaries and remarkable success of recovery rate of the loan support that this objective has been fulfilled.
- f. The JMS should immediately take step to formulate workable guidelines for selecting beneficiaries.
- g. These guidelines should be translated to field coordinators through conducting training workshop. Otherwise, policy decision taken at the top would never reach to the target group at grass root level and the government would never reap the fruits of her good policy.
- h. The success of collateral free loan program depends on intensive monitoring and constant supervision of loanee. One person posted in a district level cannot take the burden of distribution and collection of loan money from an upazila which is located far away from district head quarter. This is another flaw of the program.
- i. To continue and run the microcredit program successfully, the JMS should appoint adequate number of people and formulate appropriate rules and regulation that guarantees and safeguard the interest of the project employees as well as interest of the beneficiaries at grassroot level.
- j. The rate of service charge should be reduced to seven percent from ten percent and the loan fund is comprised of bank interest generates from endowment fund, and the revolving fund so far received from different phases of the project.
- k. The reducing balance method should be introduced immediately instead of flat rate method for calculating service charge.
- l. An alternative to surety bond should be formulated immediately to reduce the effective rate of service charge.
- m. The government should continue to bear the necessary expenditure of the program from its own revenue fund at least for coming decade.