



The PRIME task : making monga history !

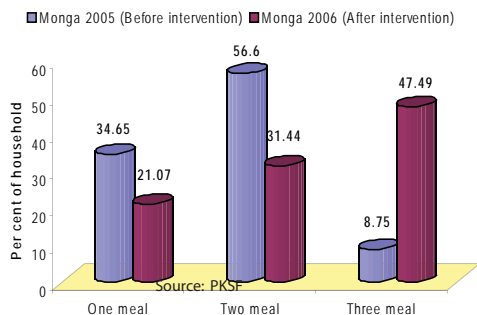
Programmed Initiative for Monga Eradication (PRIME) is a PKSF implemented programme towards eradicating Monga through wage employment and self-employment creation for the Monga affected people of Rangpur, Lalmonirhat, Gaibandha, Nilphamari and Kurigram districts of Northwestern Bangladesh.

Active flood plain of these rivers creates dozens of river islands (Char), which erode, creating physiographic and social instability. Extensive area of good soils with over 35% irrigation coverage characterizes the area as one of the food surplus region of the country. However, skewed distribution of landholding pattern, flooding and river erosion has created a chronic poverty scenario in the region. According to Household Income and Expenditure Survey (HIES) 2005 of Bangladesh Bureau of Statistics (BBS), the poverty head count rate for Bangladesh is 40%; while in the greater Rangpur region poverty rate is 57%. Similarly, extreme poverty rate is 25% nationally, compared to 43% in the greater Rangpur region.

This region also experiences seasonal deprivation and a famine-like situation, locally called 'Monga' during mid-September to mid-November corresponding to post-planting and pre-harvesting of Amon rice crop. Another such period is mid-March to mid-May corresponding to post-Rabi and pre-Boro harvest in this region.

PKSF launched the PRIME initiative in August 2006 in the Lalmonirhat district for eradicating Monga permanently. In collaboration with PROSPER, PRIME coverage was extended to all 35 upazilas of five districts of greater Rangpur during 2007 and 2008.

PRIME base-line survey indicates that there are over 0.9 million Monga affected households (Hhs) out of 1.91 million total Hhs (about 47%) in the greater Rangpur region. Slightly over 0.36 million of the Monga affected Hhs is served by different NGOs and micro finance institutions leaving a target of 0.54 million Monga affected Hhs for the PRIME. So far, PRIME has covered 40% of the target since its inception.



PRIME works both with seasonal and year-round interventions. Seasonal interventions include Cash for Work (CFW) designed to provide wage employment of Monga affected Hhs during the Monga period. Year-round interventions include specially designed flexible micro-credit, emergency/consumption credit, support for enhancing coping capacity, skills and resources of Monga affected Hhs, overseas employment, remittance transfer and primary health care for the PRIME beneficiaries.

The objective of PRIME year-round intervention is to sustainably improve socio-economic status of the Monga-affected extreme poor. With this aim in view, PRIME has granted Taka 859.72 million as flexible micro credit (FMC) to over 0.21 million beneficiaries, until January 2009, having an average loan size of Tk. 4041.

PRIME's aim is to bring all Monga affected beneficiaries out of Monga. Currently the project is in second year of its operation. Non-severity of seasonal hardship during the current 2008-2009 Monga period indicates signs of positive impact of PRIME in this area.

what's more ...



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2 key facts...



3 Somiron's turning around...



4 lifting the game...



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Partnership works !

Dear Readers,

We are back again with the second edition of the PROSPER Newsletter. The PROSPER programme is gaining momentum as we witness steady progress in the various activities of the programme. With many achievements so far, evidences of challenges are also clear. How do we know PROSPER is making an impact in the lives of the beneficiaries? How can we tell that the achievements we see today would be sustainable?

The partners are mindful of these challenges, as evident from their gradual efforts to address these issues. pleasantly, PROSPER is witnessing a remarkable shift in the way partners are collaborating with each other. Special Memoranda are being signed between partner organisations, paving the way for greater collaboration and information sharing among the partners, as well as undertaking common interventions. Two such recent examples are : a joint workshop on Regulatory Environment of Microfinance in Bangladesh, hosted by Institute of Microfinance (InM) and the Microcredit Regulatory Authority (MRA); and joint impact study on by InM and PKSF.

As usual, we welcome suggestions on the Newsletter, our website, and the programme as a whole. Feel free to write, call or call on us!

Warm wishes,



Dr. Amanullah (Mak) Khan
Editor and International Team Leader,
PROSPER-PFU

Dialogue for better understanding on "Regulation of Microfinance Institution"

InM and MRA jointly organized a workshop on "Regulation of Microfinance Institution – Dialogue for better understanding" on February 16, 2009 at the CIRDAP auditorium. The objective of the dialogue was to broaden the understanding of MFIs regarding regulation of MFIs.

As an inaugural and keynote speaker, Executive Vice Chairman of MRA, Mr Khandakar Muzharul Haque made the inaugural presentation. He discussed different aspects of regulation and assured that MRA will be sector friendly and contribute to the appropriate development of the MFIs. He also dealt with interest rates, governance structure of MFIs, and the critical issue of compliance of regulatory provisions.



As the chair of the seminar, Professor M. A. Baqui Khalily explained the reason for organizing the dialogue with MRA. He conveyed that through dialogues, a better understanding can be developed between MRA and MFIs.

The event was addressed among others by Professor Syed M. Ahsan Research Scholar InM, Ms. Lila Rashid, Joint Director MRA, Mr. Sajjad Hossain, Joint Director, MRA and Mr. Fazlul Kader, General Manager, PKSf. Senior officials from different MFIs, DFID and PROSPER-PFU participated in the dialogue.

Key Facts

- PRIME group membership reached to 233,152
- Emergency loan disbursed among 13,653 members
- Flexible loan disbursed among 282,652 members
- Skills development training provided to 32,434 members
- 417 licenses issued to MFIs by MRA
- 13 national seminars organised by InM on Microfinance related issues
- MRA has prepared its 4th regular publication titled 'NGO-MFIs in Bangladesh, volume-iv'

About PROSPER

PROSPER is a DFID funded programme,

with around two thirds of funds going to beneficiaries through financial intermediaries and around one third for enabling work on regulation and capacity building. The programme has three components: first, delivery of innovative and sustainable financial services, especially for the extreme poor, and micro and small enterprises. The Palli Karma Sahayak Foundation (PKSF) is contributing to this goal through its two key interventions, called Programmed Initiatives for Monga Eradication (PRIME) and Learning and Innovation Fund to Test New ideas (LIFT); secondly, capacity development for an effective Microcredit Regulatory Authority (MRA); and thirdly, support to knowledge management area through improvement in the supply, demand and outcomes of training, consultancy, research and development services. The Institute of Microfinance (InM) is PROSPER's knowledge management partner. Besides, PROSPER also assists in the upgrading and capacity development of the Credit Information Bureau (CIB), Bangladesh Bank.



Somiron Begum with her husband and three children form a Monga affected household of South Khonjhonmara of Roumari Upazila under the Kurigram district. With barely any source of livelihood, the small thatched roof cottage was the only tangible asset of the five member family. Somiron's family had to starve every now and then. During the Monga period of 2007, Somiron became involved with the Cash for Work (CFW) activity of PRIME. This not only

Somiron's turning around

allowed her to provide food for her family in those lean times but also helped her to make some savings, with which she bought 10 pieces of tin to replace the thatched roof of her house. She then joined the PRIME programme with membership in a PRIME partner organization named *Dokhin Khojhonmara Alokito Mohila Somitee of Society for Social Service (SSS)*. She used a loan of TK 6,000 from SSS and TK 4,000 of her own savings to invest in a heifer. Soon the heifer gave birth and began yielding 1.5-2.5 liter milk per day, adding to the income of the family. This served to boost their morale and coupled with their newly acquired financial strength allowed Somiron and her husband to start husking rice to sell in the open market. This new venture further added to their income and proved to be a source of feed for their cow. Somiron has recently bought a crossbred heifer which is already 5 months into pregnancy. She plans to develop her small operation into a full-fledged commercial dairy farm and is confident of her ability to achieve her goal. PRIME has given her opportunity to improve the lives of her family members and set them on the path of economic and social upliftment.



LIFTING the game : Low cost irrigation services

"I now visit my rice fields just once a day to see whether the fields have been watered. I have no worries about irrigation now. It is entirely managed by Alor Dishari's CNG operated irrigation venture. The cost has also reduced tremendously, down to just Taka 800 from what was previously Taka 3000," delightedly said Aziz, a farmer of Kundashon village of Tarash upazila of Sirajganj district.

Aziz, and many other farmers are beneficiaries of Alor Dishari's CNG irrigation venture. Even though the last season had been very dry and hot, these farmers were happy as their fields had been well irrigated. Irrigation is often a dreadful worry for farmers because of power shortage and the high price of diesel. So, this venture has brought great relief for these famers.



Learning and Innovation Fund to Test New Ideas (LIFT) initiative has been extended to this venture considering its innovativeness and sustainability, particularly for the benefits to the poor farmers. This is one of the 20 ventures currently being funded by the LIFT component of PROSPER Programme. A total of Taka 2.4 million has been provided to Alor Dishari as soft loan. The organisation itself has also contributed Taka 1.2 million. In the current season 205 hectares of land is being irrigated, benefitting 169 farmers. The system fits both shallow pumps and deep tube wells, however, operating deep tube wells are much more economical though that needs longer term investment for constructing water canals.

InM's divisional dialogues



InM has begun regional dialogue in the six divisions of Bangladesh involving the various Microfinance Institutions (MFIs) and the beneficiaries at the field levels. InM believes that the knowledge acquired through these regional dialogues will help to understand the microfinance sector based on different demographic segments. It is expected that the dialogue will facilitate a mechanism to exchange the views/experiences between InM and actors in the microfinance sector.

Two of the six regional dialogues were organized with a view to facilitating cross-learning between InM and

Microfinance practitioners at the regional level and to sharing views on how InM could support the MFIs. In November 2008, InM initiated its first Regional Dialogue in Rajshahi division at TMSS Bogra. The representative of 109 MFIs attended the dialogue.

In December, 2008 Institute of Microfinance (InM) initiated its second Regional Dialogue in Khulna division at RRF training center in Jessore. Senior management members from around 120 MFIs were present at the regional dialogue. In both the dialogues, InM acknowledged the invaluable suggestions, criticisms and opinions of the participants. The ideas developed from the dialogues will help InM to formulate its next action plan and policies based on consensus and with a view to improving the performance of the microfinance sector and maximizing its impact on improving the livelihood for microcredit borrowers. The two reports of the dialogues provide valuable insights into the microfinance sector. These can be found at the InM website.

InM arranged a workshop on "Microinsurance and Poverty" on March 18, 2009. Professor Wahiduddin Mahmud chaired the session and Dr. Salehuddin Ahmed, Governor, Bangladesh Bank, was the chief guest at the seminar. Professor Salim Rashid of the Department of Economics at the University of Illinois, Urbana- Champaign, USA conducted the workshop. Three papers were presented in the workshop and Professor Baqui Khalily, Executive Director, InM presented the paper titled "Microinsurance through MFIs: Present State".

Professor Syed M. Ahsan of the Economics Department at Concordia University, Montreal, Canada and Professor Salim Rashid of the Department of Economics at the University of Illinois, Urbana Champaign, USA. have joined the Institute of Microfinance (InM) as Visiting Fellows.

On April 2, 2009, InM hosted a seminar on "Operationalising Pro-Poor Growth" in the PKSF Auditorium. Professor Robin Burgess of the London School of Economics, and Co-Director of the International Growth Center, was the main speaker and presented the findings of his research in light of the theme of the seminar. He discussed how to operationalise pro-poor growth through property rights, development of human capital, infrastructure and urbanization, effective regulation, trade, public finance and the responsiveness and accountability of the Government. Professor Wahiduddin Mahmud, Chairman, InM, chaired the seminar.

