

a) Researcher's Identity

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b) Objectives

The objectives of the project were to :

- i. develop a suitable management system for handling housing loan involving the whole gamut of the programme; Selection of beneficiaries, disbursement of loan, procurement of construction materials, construction of house and recovery of loan;
- ii. document the results of all the activities under the experiment systematically;
- iii. integrate income generating activities for the rural poor with the housing project; and
- iv. identify new issues for further research in bolstering the recent concept.

c) Executive summary***1. Introduction***

Housing is a vital sector but it had not received due attention in the past. In recent years, especially as a result of the severe floods in 1987 and 1988 and the tidal bore in 1991, the government of Bangladesh undertook a project entitled Reconstruction of Rural Housing in Flood Affected Areas of the country in collaboration with UNDP. The project aims at providing housing loans to the rural poor who have land below 0.50 acres. In addition, the project has made the provision for water-sealed latrine (WSL) intending to improve their health and sanitation status. RDA, Bogra was involved in this project in early 1993 by taking a grant of Tk. 16.50 lakh for the construction of 100 houses in rural areas of Sherpur Thana under Bogra district.

The project is under implementation for more than two years. A mid-term evaluation is needed to assess the overall performance of the project. The present study is an attempt towards this direction.

For the study all the 100 beneficiaries of six villages under the project were selected and interviewed. Data regarding the study were collected from the beneficiaries through closed and open-ended questionnaires. Office records and project documents were consulted as and when necessary. Data for the evaluation were collected during December 1995-January 1996.

2. Findings

Out of 100 beneficiaries 66 were male and 34 were female. Maximum number of beneficiaries (32%) was within the age group of 30 to 39 years. Literacy rate among the beneficiaries was 46%. Almost half of the beneficiaries had small households having three to four members. Their monthly income ranged from Tk. 500 to 3000 and above.

The beneficiaries were poor and having land below 0.50 acres.

As per loan agreement the loaners were not supposed to shift their project house from the mortgaged land to other places until the loan was repaid in full. But five beneficiaries shifted their houses ignoring the condition.

As many as 16 clauses were stated in the loan agreement. But the beneficiaries were not aware of all the clauses. A vast majority of them knew only about recovery and interest rate of housing loan.

The project implementation committee along with the beneficiaries had to procure construction materials from the market and supervise the construction work of the houses during the period of construction. The beneficiaries were satisfied with the quality of materials procured and the construction work so far.

According to the standard design under the project, a house should be of 18 feet length and 11 feet breadth. But this had not been strictly followed in all the cases. As many as 31 beneficiaries had bigger houses and one had smaller than the specification because of their individual choice and requirement.

Loan realization rate under the project was not found satisfactory. It was declining day by day. The percentage of overdue loans increased from 39% to 45% during July to December, 1995. Loan realization in CVDP villages was better than the other villages. Group pressure of the society members was the main factor behind it.

There were a number of reasons for poor repayment of loan. However, the most important reason was the acute poverty of the beneficiaries.

The beneficiaries put forward seven suggestions for the improvement of loan recovery position. Highest number of beneficiaries (71%) suggested for introducing of IGAs credit in addition to housing loan.

WSL is an important component of the project towards improvement of the health and sanitation status of the beneficiary households. Therefore, 95 WSL were procured of which only 84 were being used by the beneficiaries, seven were uninstalled and four were damaged.

Use of WSL had brought about some positive changes in the health condition of the beneficiaries. Before joining the project a total of 249 family members were attacked with Diarrhoea, Dysentery, Hook worm, Jaundice and Typhoid. Until December 1995 this number came down to 72.

The house provided by the project had positive impacts upon honor and prestige, security and privacy of the beneficiaries.

After receiving the house from the project 13 households were found to be newly involved in productive activities like beef fattening, poultry rearing, 'Kantha' sewing and sericulture. Among the productive activities the highest increment of working hours per day was found in small trades i.e. day labor and mechanics.

The project house had also brought an opportunity to the beneficiaries for storing household materials along with goods used for commercial purposes. Twenty four beneficiaries were storing varieties of goods such as paddy, rice, sugar and oil in a small quantity for the purpose of petty business.

As the houses were also being used for other purposes and it helped them to earn additional income. Average monthly income of 64 beneficiaries increased by Tk. 184.77 after having the project houses.

The project houses had contributed to the reduction of maintenance cost of houses. Average maintenance cost per year had fallen from Tk. 633 to Tk. 488.

d) Observations and Recommendations

As per agreement, the land on which the house is built must be a mortgaged land and should be given to the Academy. The house constructed on this land can not be shifted elsewhere until the entire loan is repaid. But five beneficiaries were found to have shifted their houses to other places. It is likely that these beneficiaries may sell their mortgaged land keeping the Academy aside. At the same time this can have negative impact on loan realization.

The terms and conditions, especially regarding mortgage of land should be strictly followed. No beneficiary should be allowed to shift their houses to other places. Those who have shifted their houses should either reshift their houses to the mortgaged place or the land on which the house is shifted should be mortgaged to the Academy.

Provision of Water Sealed Latrine (WSL) is an integral component of Housing Project. Use of WSL has contributed substantially in enhancing the health status of the poor. Especially it has helped to reduce frequency of diseases occurred due to open space defecation. Five of the beneficiaries have not yet purchased WSL which can have negative impact on health situation of the entire village. These five beneficiaries should be motivated properly thus they go for purchasing WSL on priority basis.

The success of the project depends on the rate of realization of loan. The higher rate of realization will be the success of the project. But in reality, loan realization is very poor mainly due to the acute poverty of the beneficiaries. Unless they are provided with capital for undertaking IGA recovery situation can not be improved. The Housing Project keeps no provision for seed capital to undertake IGAs.

Fund for IGA is vital for the sustenance of the project. Since there is no scope for arranging fund for IGA within the project at the moment, the Academy can link the beneficiaries with the NGOs or other donor agencies for seed capital. Hopefully, once they get the fund they will undertake IGAs and their repayment will be quite higher.

The beneficiaries as a whole have the intention to get exemption from repaying loan, especially with the change of the government. This is certainly an undesirable attitude.

The beneficiaries should be motivated that this is not relief money and they have to repay it. At the same time they have to be made aware of the fact that the attitude of relief taking can not bring them prestige.

Repayment of loan is better in those villages where cooperative societies exist. In those villages group pressure plays an important role in realization of loan. Thus while advancing housing loan, it is imperative to see the existence of cooperative organization.

For smooth implementation of the project, the beneficiaries should also know the terms of agreement. But a considerable number of beneficiaries are not aware of the terms of agreement. This gives rise to confusion and misunderstanding between the beneficiaries and the Academy. With a view to overcoming this problem the Academy should arrange briefing session on the project agreement from time to time.

Persons engaged in inauspicious work are surely bad elements for the project. They mostly instigate the beneficiaries not to repay loan. Their activities have an adverse effect on other loaners in respect of loan repayment.

The attitude of these people can entirely damage the philosophy of the project. Therefore, their movement should be stopped at any cost. At first they should be restrained from doing such kind of evil work through motivation. If this does not succeed, legal action against them should be taken to create instances for others.

স্বল্প ব্যয়ের গতির তলকৃম

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