FINAL REPORT
PRIME and LIFT
2007-2016

পল্লী কর্ম-সহায়ক ফাউন্ডেশন

PALLI KARMA-SAHAYAK FOUNDATION (PKSF)

With financial assistance from UKaid from the British people

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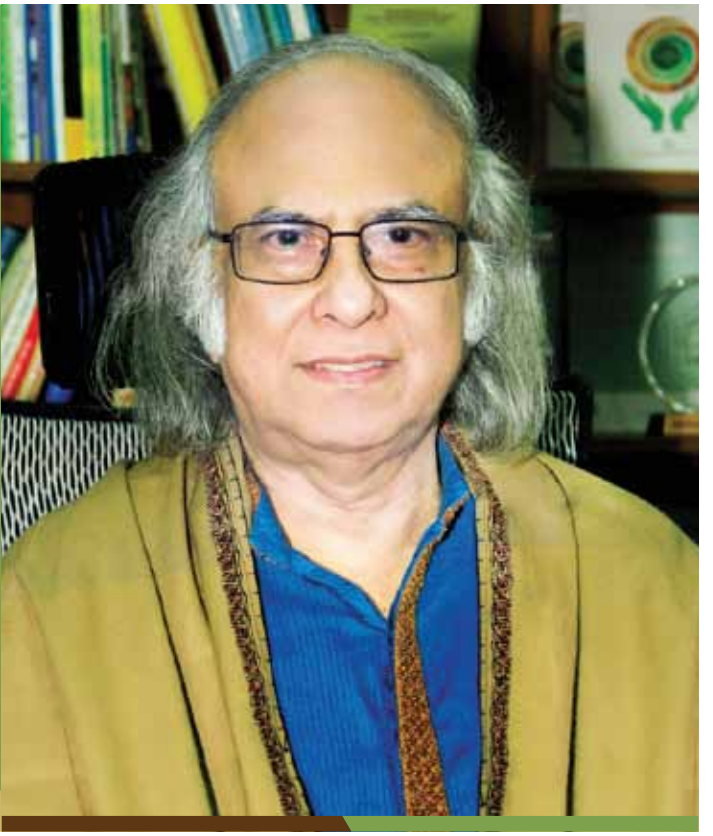


MESSAGE FROM THE CHAIRMAN

Let me take you back to the early 2000s, particularly to the pre-harvest months of September-November, when pictures of starving faces and reports of people moving heaven and earth in search of work and food to save themselves from starvation in the north-western region of Bangladesh would make newspaper headlines. Abdur Rashid of Gaibandha's Sundarganj Upazila borrowed Tk 150 from a moneylender to go to another corner of the country to find employment. Miren Ali of Halokhana union in Kurigram could not remember the last time he, his wife, and their two-year-old child had rice. Given the highly skewed land distribution and illiteracy, a large proportion of the population of the region had no or little access to land and there was not much non-agricultural activity in the region either, so these people depended mainly on employment in the agricultural sector, which was very limited or non-existent during the period. Monga, a yearly cyclical phenomenon of hunger due to persisting poverty and seasonal unemployment in the region, continued to baffle the policymakers and experts in relation to finding a way out of this predicament.

Against this backdrop, Palli Karma-Sahayak Foundation (PKSF) launched the 'Programmed Initiatives for Monga Eradication (PRIME)' project in 2006. The 10-year project that ended in June 2016 was co-funded by the PKSF, its Partner Organizations (POs), and the UK Department for International Development (DFID). The focus of the project was on the ultra-poor to help them get out of their predicament. The geographical areas covered were remote poverty-stricken areas of north-western districts, climatically challenged coastal areas, char areas and river erosion-prone areas. The number of households served under the PRIME is over half a million.

Recognising the multidimensionality of poverty, the PRIME was designed to address both economic and human poverty of the ultra-poor households. Thus,

the PRIME gradually addressed different dimensions of poverty through focused action programmes, which included non-financial services such as capacity building support, technical services, primary healthcare services, and disaster management services along with financial services.

This final report has vividly demonstrated that Monga has now been totally eradicated from these areas and the PRIME had a major contribution towards ensuring this outcome. It has also been a very cost-effective way of dealing with the problem faced by the downtrodden of the areas within the scope of the project.

'Learning and Innovation Fund to Test New Ideas (LIFT)' is a core programme of the PKSF and it too focuses on eradicating extreme poverty. Since its inception in 2006, the LIFT promoted a considerable number of initiatives and innovations to help people pull themselves out of extreme poverty. The programme takes an innovative approach to ensure diversified use of financial and non-financial services. The LIFT-supported initiatives cover a wide range of activities, from ensuring safe drinking water to poor communities in the salinity-prone areas and production-processing-marketing of salinity and drought-tolerant rice seeds, to livelihood improvement, and employment and income generation.

I wish to thank the Government of Bangladesh for its policy and resource support to the PKSF in its journey. Thanks are also due to the PKSF staff and the POs concerned for their commitment to and efficient implementation of the PRIME and the LIFT programmes.

Let me put on record our thanks to the DFID for its continued support to the PKSF in its mission of poverty eradication and sustainable development through human capability development, innovative socio-economic actions, sustainable employment generation, and eventually creating a society based on the values of equality and human dignity.

Qazi Kholiquzzaman Ahmad
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Buoyed by its mandate of poverty eradication through employment generation and moved by the hardship faced by the people living in the country's north-western districts, Palli Karma-Sahayak Foundation (PKSF) initiated `Programmed Initiatives for Monga Eradication (PRIME)' in 2006 and also `Learning and Innovation Fund to Test New Ideas (LIFT)' in the same year. Both of these are extreme poverty-focused programmes. A year later, the UK Department for International Development (DFID) started co-financing the programmes that would change the poverty scenarios in the operation areas.

Eradication of extreme poverty and ending hunger in all forms and everywhere by 2030 are the top two goals of the United Nations-sponsored Sustainable Development Goals (SDGs), effective from January 2016. Achieving the two Goals -- which eventually catalyse realisation of the other Goals -- would require a holistic approach with special attention to the role of social protection, nutrition, sustainable agriculture, sustainable management of natural resources, and rural development.

The objective of PRIME was to reduce the negative consequences of Monga (seasonal hunger) in the North and Monga-like situation in the South of Bangladesh, and ease economic hardships faced by the ultra poor in the short term while alleviating poverty in the long term. The project aimed to generate income through self and wage employment opportunities. In doing so, PRIME provided a set of financial and non-financial services to 0.52 million extreme poor households in north-western, south-western and north-eastern parts of Bangladesh. Being a demand-driven programme steered by field experiences, PRIME evolved from a seasonal hunger, unemployment and post-disaster response initiative to a comprehensive extreme poverty eradication

programme. While its core rests with the financial instrument (flexible microfinance), it followed a holistic approach to respond to the multidimensional issues of poverty.

After the 10-year-long implementation, PRIME has proved itself as a cost-effective extreme poverty eradication programme. By 2016, over 80% of the PRIME extreme poor households (HHs) had either graduated out of extreme poverty or remained on a sustained graduation track. By 2012, most of the PRIME households had succeeded in crossing the international extreme poverty threshold of $1.25-a-day per person. In June 2016, it increased to $2.48-a-day per person. Employment of main earning member of the PRIME HHs during the Monga months increased from nearly '0' in 2007 to 21 days/month by June 2016. Similarly, food security of the PRIME HHs increased from only about 4% in 2007-08 to 99% in June 2016. And for this, we had to spend less than $100 per participant.

Reports by the DFID and other agencies on the PRIME implementation appreciated the PKSF for designing and implementing an effective programme for alleviating extreme poverty and enabling the target households to graduate out of extreme poverty.

LIFT, on the other hand, explores inventive prospects for the poor to widen their income opportunities. So far, 50 innovative initiatives across the country have been supported under LIFT through 65 organisations, 47 of which are Partner Organisations (POs) and the rest are non-POs of the PKSF. At least seven of the initiatives are replicable and proved to have positive impact on improving livelihoods of the poor. Four of the innovations have replication prospects at the enterprise level. This significant achievement of LIFT helped deepen the impacts of the PRIME objectives.

While 'human dignity for all' is the vision espoused by the PKSF, its mission is to help the poor and low income people move ahead towards that goal. PRIME and LIFT have proved to be major tools to moving closer to the goal.

This final report attempts to summarise the significant achievements of PRIME and LIFT so that development workers, policymakers and academics working for extreme poverty eradication can be benefited. I thank the DFID for its support to the programmes and all the PKSF staff and the POs concerned for their committed efforts in properly implementing the programmes.

Md Abdul Karim
Managing Director

ACKNOWLEDGEMENT OF CONTRIBUTION

Palli Karma-Sahayak Foundation (PKSF) launched the 'Programmed Initiatives for Monga Eradication (PRIME)' in 2006 among the extreme poor in the northern and north-eastern parts of Bangladesh to mitigate acute hunger during the pre-harvesting months of September-November, a phenomenon locally known as 'monga'. PRIME was floated with particular focus on alleviating extreme poverty by generating sustained income sources for the monga-afflicted areas. A year later, the UK Department for International Development (DFID) joined hands with the PKSF, initiating a project named 'Promoting Financial Services for Poverty Reduction (PROSPER)'. PRIME was included as one of the Outputs of PROSPER.

As PRIME strived to generate sustainable means of moving out of extreme poverty in the monga-hit areas, the underprivileged extreme poor people initially were offered a three-month cash-for-work (CFW) opportunity when other employment options were unavailable. Afterwards, they would be offered a package of flexible microfinance and other handholding support to make sure that they can successfully use their loans and find their own sustainable sources of revenue through a range of income-generating activities such as homestead gardening, livestock raising, carpet making, tailoring, etc. The PRIME interventions were divided into two categories -- year-round and seasonal. While the year-round interventions included microfinance, skills and capacity building, technical assistance and market linkage support, vocational training and primary healthcare services, the latter offered emergency loan and CFW to help them meet their immediate sustenance, education and health-related needs. The innovative, demand-driven services yielded tremendous success. Based on the experience gained in the northern and north-eastern regions, the PKSF started expanding PRIME to the south-western region, plagued

by monga-like situations in the aftereffects of super cyclones Sidr and Aila, since 2010.

The programme ended in June 2016, covering 0.512 million extreme poor households, of which nearly 87 percent resultantly came out of extreme poverty. The remaining 13 percent were still vulnerable largely because most of these households had labour constraints. PRIME as a successful graduation programme ensured food security and year-round employment and reduced seasonal vulnerability of over half a million extreme poor households (about 2.25 million people) living in the most climatically and geographically challenging locations of the country. By June 2016, the average daily per capita income of PRIME (North) households reached Tk 92, well above the World Bank's Tk 64/day poverty measure.

PRIME achieved such a tremendous success in a most cost-effective manner. According to a cost-effectiveness study conducted by the DFID on various programmes (other extreme poverty reduction projects funded by the DFID), PRIME inherited the lowest delivery costs and at the same time generated the highest cost-benefit ratio while serving the extreme poor households.

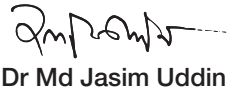
Let me take this opportunity of the final report to express our gratitude to the people without whose support, this success would not have been possible. I want to give special thanks to Professor Wahiduddin Mahmud, the former Chairman of PKSF, and Dr Qazi Kholiquzzaman Ahmad, the current Chairman, for their visionary guidance to PRIME. Our former Managing Directors -- Dr Fakhruddin Ahmed and Dr Quazi Mesbahuddin Ahmed -- and the current Managing Director, Md Abdul Karim, have played catalytic roles in PRIME's evolution as a sustainable poverty reduction programme. I pay my sincerest thanks to them. Our heartfelt gratitude to Ms Sarah Cooke, the then country representative for DFID Bangladesh. I also thank Ms Catherine Martin, Ms Shahnila Azher and their team members at DFID Bangladesh, and Dr Reazul Islam of the DFID's Project Coordination Unit. They were instrumental to guiding the PRIME course towards its goal. Professor MA Baqui Khalily and his team from the Institute for Inclusive Finance and Development (InM) meticulously evaluated the PRIME impact from its inception to the end. Our heartfelt gratitude to them.

Thanks are also due to the hardworking teams of PRIME Partner Organizations, and my colleagues in the PKSF who helped steer PRIME to its intended goal. I thank the Development Partner (DFID) as well as the Government of Bangladesh for their continuous support that contributed a lot to make PRIME a success. We look forward to working together in future as well to alleviate multidimensional extreme poverty in Bangladesh.

Through PRIME, the PKSF has succeeded in designing and implementing an effective delivering mechanism for extreme poverty reduction, enabling target households to come out of extreme poverty. National data shows there still are significant numbers of extreme poor households yet to be supported. With this in mind, the PKSF and the DFID are currently working to launch a new project titled 'Pathways to Prosperity for the Extreme Poor' soon. To make this a success as well, we seek cooperation from everyone, as we received in case of PRIME.

The 'Final Report: PRIME and LIFT 2007-2016' compiles, apart from the 10-year-long eventful stride of PRIME, the interventions and impacts of another major PKSF programme known as 'Learning and Innovation Fund to Test New Ideas (LIFT)'. Another output of the PROSPER project, LIFT also focuses on eradicating extreme poverty. Since its inception in 2006, LIFT has promoted a number of initiatives and innovations intended to help people graduate from extreme poverty. With an innovative approach, the programme works to ensure diversified use of loans. The LIFT-supported initiatives cover a sizeable number of activities ranging from ensuring supply of safe drinking water to poor communities in the salinity-hit areas and production-processing-marketing of salinity and drought-tolerant rice seeds, to livelihood improvement, and employment and income generation.

To conclude, we are grateful to the common people that have made us who we are, allowed us into their lives sharing their experiences and taking us along in their journey to prosperity, and helped us in our strive to ensure equality, human dignity and social justice for all, as espoused in the Proclamation of Independence.



Dr Md Jasim Uddin
Deputy Managing Director

EXECUTIVE SUMMARY

PRIME

The PKSF launched the **Programmed Initiatives for Monga Eradication (PRIME)** in 2006 and the DFID joined in a year later. The Programme ended in June 2016. The objective of the PRIME was to prevent the negative consequences of Monga by generating income through employment creation of the affected families while also building their crisis-coping capacities. The PRIME was implemented in five extreme poverty-stricken districts of Rangpur division -- PRIME (North) -- and some selected areas of Khulna and Barisal divisions, also partly in Jamalpur district -- PRIME (South). The PKSF and its 24 Partner Organizations (POs) along with the DFID Bangladesh financed the Programme under the project titled 'Promoting Financial Services for Poverty Reduction (PROSPER)'. The interventions were made in a total of 50 upazilas of 11 districts through 309 branches of the POs.

The PRIME was conceived and designed to support livelihood activities of extreme-poor households (HHs) through financial services (e.g. flexible microcredit, flexible savings, emergency loan) and non-financial services like capacity building, training, technical assistance and input support for the implementation of income generating activities (IGAs), primary healthcare services etc. Furthermore, there were provisions for seasonal interventions like cash for work and emergency loans to ease seasonal or other kinds of vulnerability.

By June 2016, the PRIME organised a total of 512,507 extreme-poor households (HHs) -- 350,074 HHs in the PRIME (North) and 162,433 HHs in the PRIME (South). During this time, about Tk 20,255 million was disbursed as

Flexible Microcredit (FMC) and Tk 704 million as Emergency Loan (EL). In addition, Tk 3604.18 million was disbursed as Jagoron (rural microcredit), Agroshor (Micro-enterprise loan) and Shufolon (Agricultural loan) to the graduated members of the PRIME. During the same time, PRIME members made savings of around Tk 2,155 million. Over 264,695 participants were trained on different IGAs under the Programme. PRIME members established 2,073,897 different IGAs related to crops (26%), livestock (42%) and off-farm (32%) activities. Nearly all PRIME members along with their families received primary healthcare services. A total of 2,747 PO staffs were trained as part of institutional capacity building during the Programme period.

Results Based Monitoring (RBM) of the PRIME reveals that by June 2016, 'activity to output monitoring (ATOM)' scores of the PRIME (North) and the PRIME (South) were 79% and 69%, respectively. At the outcome level, economic self-sufficiency of PRIME members, measured as 'economic self-sufficiency assessment score (ESSAS)', were 83% and 73%, respectively for the PRIME (North) and the PRIME (South). During FY 2015-16, per capita daily incomes of the PRIME HHs were Tk 92 ($2.48) and Tk 63 ($1.69) in the PRIME (North) and the PRIME (South) respectively (2013 Taka at 2010 PPP: Tk 37/US$). Annual employment of the main earning member of the PRIME (North) HHs during FY 2015-16 was 269 days (>50 weeks). The average (±SE) value of productive assets of the PRIME (North) HHs during FY 2015-16 was Tk 133,969 (±3494), 19 times higher than the FY 2007-2008 value of Tk 6,959 (±682). Productive assets of the PRIME (South) HHs during FY 2015-16 was Tk 82,809 (±19,060), 6.3 times higher than Tk 13,107 (±2,980) as found during the basal-level during FY 2010-2011. Over 99% of the PRIME (North) and 96% of the PRIME (South) HHs were food secure by June 2016. The average Household Dietary Diversity Score (HDDS) of the PRIME (North) and the PRIME (South) was 8.62 (range 5.25-8.95) and 7.71 (range 5.35-7.67) respectively. The HDDS ranges from 0-12 food groups and the lowest dietary diversity is ≤3 food groups, medium dietary diversity is 4-5 food groups and the highest dietary diversity is ≤6 food groups (FAO, 2011). Over 99% of the PRIME (North) and 95% of the PRIME (South) HHs are no longer vulnerable to monga. However, the PRIME members are not homogenous economically. As of June 2016, about 12% of the PRIME (North) HHs were vulnerable extreme poor, 42% transient extreme poor and 46% graduated extreme poor. Among PRIME (South) HHs, there are 20% vulnerable, 45% transient and 35% graduated.

In an evaluation of the PRIME in 2016, Prof Martin Greeley of the Department of Development Studies, Sussex University, UK, concluded that --

"PRIME is the new generation of 'graduation' programmes designed to move extreme poor households out of poverty sustainably. Compared to other extreme poor programme PRIME is the most cost-effective programme that has raised important strategic questions for governments and their international development partners, about cost effectiveness focusing on how successful they are and how costly they are. The future role of graduation programmes in responding to the emergent concerns with comprehensive 'life-cycle' approaches to social security and to the SDG commitment to eliminate extreme poverty depends crucially on answers to these two questions. Positive answers to these questions are critical if graduation programmes are to provide an important impetus in the drive to eliminate extreme poverty. PRIME scores well on both these counts."

The Institute for Inclusive Finance and Development, formerly Institute of Microfinance (InM), completed the 7th and final round of longitudinal impact evaluation on the PRIME during FY 2015-16. Some salient findings of the Study[1] on the PRIME (North) HHs are as follows:

- Consumption of three full meals during the Monga time by PRIME participants (PCP) increased from nearly 18% in 2008 to 65% in 2015. Among the non-PRIME (NP) HHs, consumption of three full meals were 55% in 2015. Among the PRIME members, the percentage of households having three meals during monga declined marginally from 68% in 2014 to 65% in 2015 due to two massive floods. However, despite floods, the state of food security has not changed much.
- The average annual income of the PRIME

[1] IMPACT OF PRIME INTERVENTIONS AT THE HOUSEHOLD LEVEL – Seventh ROUND; Institute for Inclusive Finance and Development, Dhaka December, 2016)

households in 2015 was Tk 88,000, an increase by Tk 11,000 from that in 2013. Flood was more prevalent in Gaibandha and Kurigram districts. Around 43 percent of the PCP households were affected by flood, compared 25 percent of the NP households. Though flood did not lead to sharp decrease in income and consumption of the PCPs, it affected the rate of increase in income, expenditures and savings of the PCPs.

- The PRIME HHs recovered from the floods in a short span as it was evident that four months after flood water had receded (i.e. 2016), their average income and net savings were higher than those in 2015, and also exceeded the levels in 2013. It also indicates that the households developed higher capability to cope with adverse shocks like flood within a short period of time. The capability developed for these households had higher annual income now. Non-financial services had contributed to it.

- Despite the adverse impacts of flooding on income, the percentage of multi-dimensionally poor households of the PCP decreased from 79% in 2013 to 63% in 2015. The overall multi-dimensional poverty index for the PCP households reduced to 33% in 2015 from 43% in 2013.

- Human dignity, measured in terms of latent score of empowerment, was the higher for PRIME participants (3.137) than the non-PRIME participants (2.764). Within the PRIME participants, human dignity was the highest among graduated households (3.156) followed by transient (3.018) and vulnerable (2.843) households. The PRIME had positive impacts on the social status of women. Women in the PCP households enjoyed higher status compared to those in the NP households.

- Given the diverse characteristics of the poor households, no 'uniform product set' can be feasible for every household. This is particularly true for the female-headed households. The PKSF needs to develop alternate financial and non-financial products to address the needs of different groups of households.

LIFT

In 2006, the PKSF launched the Learning and Innovation Fund to Test New Ideas (LIFT), a special Programme with a fund of Taka 100 million, to promote and patronise innovations in poverty eradication efforts at the grassroots level. Then the DFID joined in and contributed BDT 270.1 million (GBP 2.35 million) as grant during 2007-2012, of which BDT 19 million was used as operational cost, 17.7 million as grant to LIFT initiatives and the remaining BDT 233.4 million was disbursed as soft loans for different LIFT initiatives. The objective of such soft loan was to help innovate sustainable poverty alleviation models, and to create a fund that can be used in a sustainable way for future LIFT initiatives. Of the DFID fund used as soft loan, BDT 17.07 million was written-off as 'bad loan'. As the DFID had a different view on this, they stopped LIFT funding after June 2012. Since then, the PKSF continued the LIFT activities with the available DFID fund and seed money of BDT 100 million earlier contributed by the PKSF from its own source.

By June 2016, the LIFT supported a total of 50 innovative initiatives across the country through 65 organizations of which 47 POs of PKSF and the rest are non-POs. These initiatives include replication or scaling up of initiatives that proved to be effective in reducing poverty, inequality and vulnerability. Furthermore, the LIFT supported the following demand-driven activities:

Climate change adaptation

a) Ensuring safe drinking water to poor communities in salinity-hit areas.

b) Production, processing and marketing of salinity-tolerant rice seeds especially suitable for salinity-prone areas.

c) Production, processing and marketing of drought-tolerant rice seed especially suitable for drought-prone areas.

d) Accelerating privileges for natural breeding of eel fish, and creating employment and income opportunities of coastal poor communities through household-level eel fish farming.

Livelihood improvement and value chain development of farming activities

e) Livelihood improvement and employment generation of poor and marginal farmers through dairy farming, using modern scientific techniques.

f) Employment and income generation of families in drought-prone areas through community-level and household-level sheep farming.

Community-level information dissemination

g) Community-level information dissemination through community radios for economic, social and environment knowledge dissemination.

Improving livelihood of vulnerable groups in communities

h) Improving elderly people's livelihood through community initiatives

i) Ensuring sustainable livelihood for people with disability through inclusive development

Considering the salinity intrusion with sea level rising situation, the PKSF took an initiative to increase potable water availability among the poor people of the south-western coastal areas. There, the LIFT has installed reverse osmosis-based water desalination plants in Shaymnagar Upazila of Shatkhira (by NGF) and Dacope upazila of Khulna (by Ad Din). The desalinated water is then supplied at a nominal price (BDT 0.5/lit) to poor households. Non-poor HHs also can avail this water but at a relatively high but much less than the market price (BDT 1.0/lit). This cross subsidisation makes the model sustainable and ensures sustainable potable water supply service to the coastal communities. Encouraged by the success of initial piloting, the LIFT in 2016 allocated Tk 48 million to 12 POs for setting up 17 electricity-run desalination plants and two solar-powered ones in five salinity-prone districts (Khulna, Satkhira, Bagerhat, Patuakhali and Barguna) under the initiative titled 'Sustainable production and community-level availability of potable water at a cheaper price in salinity-prone coastal areas'.

The LIFT also provided 2000 plastic tanks, each with a 1500-litre capacity, to the extreme poor households of the salinity-prone south-western coastal region of Bangladesh for preserving rainwater for drinking during the dry period. These tanks were distributed through nine POs at a total cost of Tk 28 million.

During FY 2015-16, the LIFT allocated Tk 47.51 million as technical assistance for scaling up and/or replication of selected LIFT initiatives that have already made visible impacts on lives and livelihoods of the extreme poor. About 13 such initiatives have been scaled up and/or replicated through 14 organisations (both POs and Non-POs).

The LIFT is contributing to accelerating extreme poverty elimination processes that eventually will help Bangladesh achieve the Sustainable Development Goals (SDG), especially Goals 1, 2, 3, 5, 6, 13, 14 and 15. Continuity of the LIFT is expected to institute a robust mechanism to select innovative activities primarily focused on employment creation, income generation and technology dissemination.

PART - A

SUSTAINABLE TRANSFORMATION OUT OF EXTREME POVERTY PRIME – STRATEGIC BRIEF

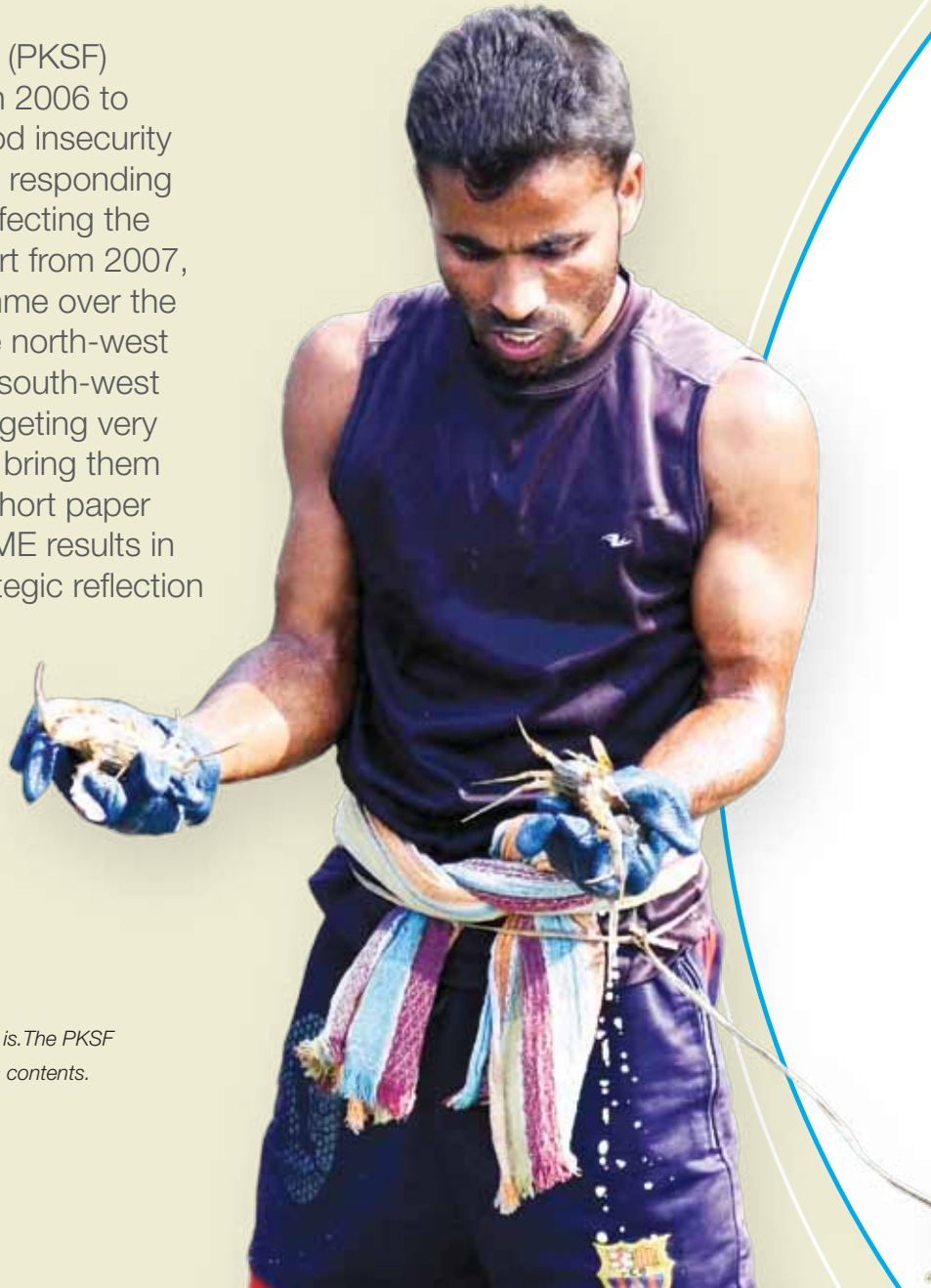
Prof Martin Greeley, University of Sussex, UK

SUSTAINABLE TRANSFORMATION OUT OF EXTREME POVERTY PRIME - STRATEGIC BRIEF

Prof Martin Greeley, University of Sussex, UK

INTRODUCTION

Palli Karma-Sahayak Foundation (PKSF) started the PRIME Programme in 2006 to address extreme poverty and food insecurity in the north-west of Bangladesh, responding to the severe seasonal hunger affecting the poor there. With the DFID support from 2007, PKSF has extended the programme over the last decade geographically in the north-west and also in the highly vulnerable south-west region of Bangladesh, always targeting very poor households and seeking to bring them sustainably out of poverty. This short paper has been written for placing PRIME results in wider context and providing strategic reflection on the PRIME as it starts a new implementation phase[2].



[2] *This report has been reproduced as it is.The PKSF does not bear any responsibility for its contents.*

The PRIME is a 'graduation' programme, which is a relatively new type of development initiative that, like many other development innovations, was first introduced in Bangladesh[3]. The graduation approach has been adopted in many countries recently and there is high quality evidence[4] from the first pilots of sustainable improvements in targeted households. The graduation model has variants across contexts and service providers and there is no agreed description but the CGAP (2016)[5] has offered a set of core characteristics based on contemporary practice:

- They deliberately try to reach the extreme poor, either those under the $1.90-per-day poverty line and/or those identified as the poorest and most marginalized within their own communities;
- They are holistic in order to tackle the multifaceted constraints of extreme-poverty;
- They are financially inclusive. …access and usage of appropriate financial services is crucial to deepen economic inclusion and continue upward progress; and
- They offer a "big push" based on the idea that a large investment will really make a meaningful change.

Each of these features is evident in the PRIME. The model recognises the importance of financial services but also that financial services alone are insufficient and that other types of poverty trap[6] exist and must be addressed in

[3] *By BRAC in 2002, and PRIME started in 2006.*

[4] *'A multifaceted program causes lasting progress for the very poor: Evidence from six countries' Abhijit Banerjee et al., Science 15 May 2015, Vol 348 Issue 6236.*

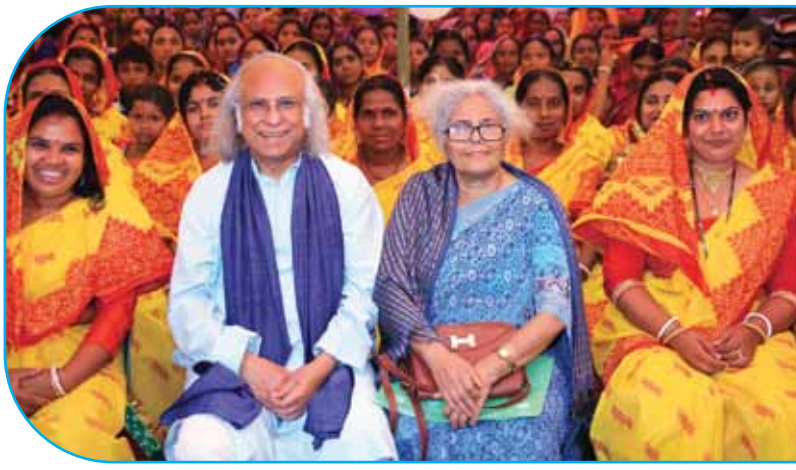
[5] *http://www.cgap.org/blog/graduation-sustainable-livelihoods-what%E2%80%99s-name.*

[6] *Poverty traps are an important concept informing the graduation model. They refer to conditions –such as lack of relevant skills, or access to finance- that prevent a household increasing its income and accumulate a surplus beyond immediate consumption needs, for asset acquisition and reinvestment. See 'Poverty Traps and Social Protection' by Christopher B. Barrett, Michael R. Carter and Munenobu Ikegami, February 2008, SP Discussion Paper 0804, World Bank.*
http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Social-Protection-General-DP/0804.pdf.

order to help households move themselves out of extreme poverty. This is why a holistic approach is important –reflected in PRIME through non-financial services including training, group formation, coaching and health and nutrition services. These non-financial services are critical elements supporting the effective development of Income-Generating Activities (IGAs) through the use of the financial services that PRIME provides. By providing training, support on marketing and health inputs, household capacity to effectively operate and diversify their IGAs is strengthened and households gain the confidence to build their enterprises. Collectively, the combination of financial and non-financial inputs provide the 'big push' needed to enable households to engage in the market in a sustainable way and generate incomes that are sufficient to move them out of extreme poverty. Critically, and not all graduation programmes can do this,[7] through its partner organizations, PRIME provides continuing financial services for savings and loans[8] and graduation is identified with the transition to mainstream financial services. This continuity of support allows households to develop and diversify their IGAs and acquire the asset and savings base necessary to build resilience enabling them to cope with economic shocks. By raising household livelihood-levels and building lasting relationships with market-based service providers PRIME provides a sustainable pathway out of poverty. The next section outlines why the capacity of PKSF to operate a large scale graduation programme such as PRIME is strategically important for Bangladesh. The paper then discusses five core programme features that further underline the contribution that PRIME makes to national poverty reduction programmes.

NATIONAL CONTEXT

The PRIME is an extraordinarily well documented programme as a result of its use of a sophisticated Results-Based Monitoring System and a strong



commitment to impact assessment –the 7th round of household surveys has been used in the latest impact report. It has also benefited from annual reviews and case studies supported by the DFID. As a result, there is a sound evidence base both for the overall strong programme performance on poverty reduction recorded in the annual reports and for the more nuanced understanding of both demand-side and supply-side factors that contribute to outcomes at household-level. PRIME is well-placed therefore to expand its coverage and, as needed, to adjust its core approach in response to specific household circumstances. This capacity is important in the context of Bangladesh development challenges discussed below.

Bangladesh has enjoyed continuous economic growth, averaging over 5.6% for the last two decades and achieved 7.05% in 2016. Services (56.3% of GDP in 2015), industry (28.1% of GDP in 2015) and agriculture (15.5% of GDP in 2015) are the main drivers of economic growth with high rates of growth (12.7%) in the garments sector leading exports. Garments alone account for 16.6% of GDP. International remittances equal 15% of private consumption. Agriculture in 2015 accounted for only 19.3% of GDP though still employed

[7] *Graduation programmes are increasingly being seen, as discussed below for Bangladesh, as a core component of national social protection or social security provision but there is sometimes a misconception that 'graduation' refers to moving out of social protection or other forms of service provision. Graduation refers in fact to moving out of extreme poverty; but graduating households will still need access to services such as finance and will still have rights to social transfers such as pensions or child allowances. They graduate out of social protection only in the sense that they will no longer need social transfers that are linked specifically to being in extreme poverty.*

[8] *PRIME will also add insurance services for health, and possibly also for livestock which are the single most important Income Generating Activity (IGA) of PRIME participants.*

well over 40% of the labour force. These achievements are in spite of sometimes difficult political circumstances, and the continuous economic growth coupled with significant improvements in human development indicators has generated a mood of optimism about national prospects. The Vision 2021 paper of the Government of Bangladesh planned to achieve 'middle-income' status by 2021 but it will take longer – up to a decade more – unless the economic growth rate jumps[9]. Even so, Bangladesh has rightly achieved international recognition for its strong economic and human development performance and is now amongst the top 50 world economies.

Nevertheless, according to the Household Income and Expenditure Survey (Bangladesh Bureau of Statistics, HIES 2010), 31.5% of the population were still below the upper poverty line and 17.6% (26 million people) below the lower poverty line – an income of less than Tk.1,143[10] or about $40 per month at the latest PPP conversion rate of $28.25[11]. These are individuals who have benefited little from the impressive economic growth performance in Bangladesh over the last two decades and for whom special measures are needed to ensure that future growth is more inclusive. This is a large number of people, most of whom are poorly positioned to take advantage of economic opportunities. The majority are rural, though the share of urban poverty is rising.

The Government of Bangladesh has had a strong commitment to poverty eradication in all its planning documents and this continues in the new 7th five year plan. A number of initiatives are present there to address poverty and inequality and important amongst these is the National Social Security Strategy (NSSS)[12]. This ambitious strategy adopts a life cycle approach to design an expanded and improved provision; it proposes to cluster social transfers in five broad groups related to different age groups and identities. Extreme poor households are not a homogenous group but have different demographic profiles e.g. the elderly, differently abled, and sometimes female-headed and minority ethnic households or those living in remote areas. For many of these households, the only effective strategy to address their poverty will be permanent reliance on social transfers. But an important group of extreme poor households have the potential to develop sustainable livelihoods for themselves but poverty traps prevent them from doing so. These are households with able-bodied people of working age who are constrained by low incomes, limited assets, less skills or limited confidence from engaging in available economic opportunities. It is these households who are the potential participants in graduation programmes. Both the NSSS and the 7th Five Year Plan identify graduation programmes as a core element of the NSSS.

A basic objective for the next five years would be to support the elimination of hard-core/extreme poverty as much as possible. For this to be effective, given the dire circumstances of the extreme poor, consideration will need to be given to progressive but substantive scaling up of the 'graduation' programmes that offer real and direct income earning opportunities and formal and informal work to the poorest, alongside complementary activities that provide poor people with a means to lift themselves out of extreme poverty. (GoB, 7th Five Year Plan p674 emphasis added).

Graduation approaches are an important element in the NSSS because they will save resources in the long-run by addressing the underlying causes of household poverty and reduce the dependence on social transfers. Critically, they also are fundamentally superior to traditional cash transfer approaches by providing an approach to poverty reduction which recognises human dignity and seeks to reduce dependence. It is apparent

[9] *Numbers in this paragraph are from official sources (BBS Labour force Survey 2009) and the Asian Development Bank: (http://www.adb.org/countries/bangladesh/economy).*

[10] *The InM has estimated the 2015 extreme poverty line at Tk 13,717 per capita per annum. Baqui Khalily, M. A., Mehadi Hasan and Nahid Akhter March 2016 'A longitudinal study to assess the impact of PRIME in Greater Rangpur: Seventh Round', Prepared for Palli Karma-Sahayak Foundation (PKSF) by the Institute for Inclusive Finance and Development (InM).*

[11] *The new 'dollar a day' line is in fact $1.90 or $57 PPP dollars a month so the Bangladesh extreme poverty line remains lower than the globally-defined extreme poverty threshold.*

[12] *National Social Security Strategy (NSSS) Bangladesh, General Economics Division, Planning Commission, GoB, March 2015.*

also though that delivering the graduation approach, as described above, is not straightforward and requires a specific set of institutional capabilities and commitments. PKSF, through the PRIME programme have demonstrated that it has these attributes and is well-placed to support the NSSS and the 7th Plan and lead the national commitment to graduation approaches. In the rest of this paper we discuss five specific features of the PKSF, PRIME programme which are important elements of this institutional capacity and which underline its strategic advantage in Bangladesh in delivering cost effective and sustainable pathways out of poverty for the extreme poor.

EVIDENCE-BASED PROGRAMMING

Since its inception in 1990, the PKSF has established a global reputation as an apex development organization. It has been responsible for the development of financial and non-financial services with over 270 partner

organisations addressing poverty through services to nearly 12 million clients. However, its mandate is broader than this with a commitment to reduce poverty through employment generation. Whilst microfinance was an appropriate vehicle for achieving this for many poor households, PKSF has developed a number of other programme approaches in recent years in response to evidence that many of the poorest households were not benefiting from conventional microfinance.

The initial development of the PRIME was in response to a widely recognised problem of lean-season hunger in the north-west region. Historically, the north-west had suffered from greater inequality in land distribution, yet greater dependence of livelihoods on agriculture, which contributed to higher than average levels of poverty amongst the landless and near landless. Prevalence of extreme poverty in the north-west was exacerbated by slower development since Independence because of poorer infrastructure; the ensuing problems of lean-season hunger, or 'monga', were widely recognised. This knowledge was reinforced by evidence from within the microfinance sector that the poorest households were not able to use microfinance effectively[13]. The poorest households sometimes chose not to participate for fear of indebtedness, or were not selected by other villagers in group-based approaches; and sometimes they were deliberately avoided by loan officers concerned about small loan sizes and repayment issues affecting their portfolio performance.

PKSF responded to these concerns with the development of the PRIME programme which initially had a substantial cash for work component combined with group formation and flexible financial services to address lean season hunger. However, the programme rapidly evolved as PKSF and its partners developed knowledge of needs and opportunities related to extreme poverty and as the programme expanded geographically covering communities with different poverty profiles. Key features of the programme are the combination of a carefully developed set of non-financial services with loans and savings together with provision for emergencies and disasters addressing both idiosyncratic and covariant shocks.

A specific strength of the PKSF approach in PRIME is the attention given to evidence in programme development. This relates both to field-based learning with Partner Organisations (POs) and to use of data and information from studies and PKSF's Results-Based Monitoring System (RBMS). The RBMS is used to monitor performance at output, outcome and impact level and provides a key diagnostic tool for PRIME managers.

[13] *PKSF first trialled programmes for the ultra poor from 2002 and has had a formal programme, now known as 'Buniad' (Foundation), from 2004 with a specific separate ultra poverty fund offering flexible financial services to a carefully targeted population of extreme poor households. This ultra poverty fund, provided through GoB, is also used in the PRIME programme for financial services to participants up to the point of graduation.*

The analysis of results from the RBMS on progress out of poverty for PRIME participants helped identify three groups of households[14] - graduates, transients and the vulnerable. In the North 46% of PRIME participants are listed as 'graduated' which means that they no longer access cheaper more flexible financial services and will be expected to pay for non-financial services[15]. Results from the south report a graduation rate of only 35%, where the programme is newer and initiated in response to successive major cyclones in the south west requiring major disaster response expenditure and giving rise to challenging conditions for household livelihood development; but a further 45% have reached the transient stage and only 30% remain vulnerable.

Households that have graduated out of extreme poverty by PRIME criteria have measured expenditure above the national lower poverty line but in addition PRIME provides other criteria to try and ensure that 'graduated' households have indeed moved themselves sustainably out of extreme poverty[16]. These include targets for diversification of income generating activities, accumulation of assets, sustainability of enterprises and food security. Households in the transient and vulnerable categories are assessed against the same criteria and are households that have performed less well against them. PRIME developed these categories because of the recognition from the field that there were significant differences in household-progress out of poverty suggesting the need to provide more nuanced programme inputs. These categories clearly identify these differences in poverty reduction performance and further analysis of household characteristics within these categories, undertaken both by the programme staff and through analysis of data from the latest Impact Study, has identified female-headedness, larger family size, dependence on single earners, dependence on a single source of earnings and dependence on agricultural or wage labour as characteristics of the vulnerable household category - those who have been unable to significantly progress despite programme support. Using this evidence on characteristics has allowed PRIME to vary the nature of its support –for example with respect to grants provision and emergency loans- according to these identified differences, making it a more demand-led programme[17].

A LEARNING ORGANISATION

A hallmark of the PRIME programme is the ability, together with its POs that are responsible for programme implementation, to learn from field experience and this is reflected in its evolution over time.

[14] In fact the 7th Impact Study was able to use panel data collected over the seven rounds to provide a more sophisticated analysis using initial poverty status and poverty dynamics based on transitions out of and into poverty for different categories of PRIME participants and for control groups. However, for programme refinement purposes PRIME have adopted a simpler three-way separation of its participants. Note however that these three categories are programme specific and are different to the measures used in the 7th Impact Study for the North programme. This study, in addition to the analysis just mentioned, also adopts GoB poverty measurement procedures using the Cost of Basic Needs method. Using the official lower poverty line used to define the extreme poor, in 2015 over 70% of PRIME credit plus participants were not poor, significantly more than any of the control groups (7th Impact Study Table 19, p51).

[15] Managing the transition away from non-financial services provided free of charge or at a nominal price is one of the implementation challenges that PRIME and its partners are currently addressing.

[16] The key test for assessing sustainability here is the capacity to deal with shocks without dropping back into poverty. The InM took a really good initiative to explore this issue in the context of the 2015 flood by conducting a small follow up study in two badly affected districts four months after the flood allowing comparison with the 7th round data collected just two months after the flood. The results showed the resilience of households to shocks, demonstrating strong recovery in the key measures of income, expenditure, financial assets and poverty status.

[17] It is important to recognise that PRIME's market-based approach is centred on households with capacity to undertake income-generating activities and households without the labour endowment to do this will require alternative forms of support to move them out of poverty.

PRIME started very explicitly as a programme to address the seasonal food insecurity of the extreme poor in the monga-affected north-west; cash for work was initially an important component reflecting this focus on seasonal hunger. However, PRIME quickly evolved into a programme that was seeking more sustainable ways of addressing extreme poverty and the use of flexible microfinance was central to that; providing credit at cheaper rates, with more options on repayment arrangements and savings that were fully and immediately accessible were core features that

distinguished PRIME lending from mainstream microfinance. This was accompanied from the beginning with a commitment to careful identification of appropriate Income Generating Activities (IGAs) to be established through the use of these loans. Through the partnership with the LIFT project, IGA selection also involved the promotion of innovation in the choice of income generating activities. PRIME, uniquely amongst 'graduation' programmes in Bangladesh, also uses market linkage staff to support the capacity to innovate and to market in ways that protect the value share of the PRIME participants. In addition, through sharing experience on IGAs both across PRIME participants through visit programmes, and across partner organizations through focused meetings, PRIME supports a strong internal learning agenda on IGAs; partnership with the LIFT programme has been central to PRIME learning and to the overall development of the PRIME IGA approach.

The programme has developed a strong commitment to wider human development including 'preventative health care, skills development, technical services (training and advice on asset management) and awareness-raising on nutrition, sanitation, preventive health care, better allocation of family assets, prevention of underage marriage and dowry system' (PROSPER Annual Review, May 2014 p1). In addition, PRIME is addressing infant nutrition. These components are of obvious intrinsic worth as well as seeking to strengthen sustainability by reducing livelihood risk associated with health-related shocks. This holistic approach recognises that poor health, limited education, lack of skills, limited market knowledge and lack of confidence are all potential constraints to movement out of extreme poverty. PRIME has worked with its POs to learn how to identify household specific needs and developed the capacity of programme assistants to fine tune the provision of non-financial and financial services in response to identified needs. PRIME tries to strengthen the social capital of participant households by building trust amongst group members and within communities, seeking to ensure the social development of participant households. This is consistent with its broad-based understanding of poverty reduction and human development in which both social and psychological dimensions are important aspects of wellbeing. The recently released 7th round Impact study also included results on social status in the community, decision-making authority at the household level, women's status in the community, overall awareness, respect and dignity. These results were very positive and show that PRIME is contributing effectively to a multidimensional concept of poverty reduction in which concern for human dignity is an overarching driver.

The evolution of PRIME towards a comprehensive approach addressing multiple dimensions of extreme poverty with a focus on contest-specific sustainable pathways out of poverty is part of the broader strategic

development of PKSF towards inclusive financial and non-financial services tailor-made to address the heterogeneous nature of poverty in Bangladesh. In addition to the well-established Buniad, (ultra poor programme), other PKSF programmes and projects which are part of this programme evolution are ENRICH and Ujjibito[18]. These directly address the PKSF mandate of sustainable poverty reduction but more broadly within PKSF the organizational ethos is evolving from the earlier primary focus on credit services towards a broader-based approach which seeks to be fully inclusive and to respect the principles and values underlying freedom of choice and establishing human dignity which PKSF has adopted as its core goal. PRIME reflects these wider corporate values through its extended provision of non-financial services.

Delivering this complex of services requires engaged management and PRIME carefully monitors it service delivery through its RBMS which reports on all seven components of the programme and provides information used for programme adjustments. The RBMS provides real-time capability to assess performance both of POs and individual households. In addition, PO financial performance has a separate monitoring system allowing regular performance assessment. Monitoring is supported through surveys and research studies including special studies on specific inputs such as health services and IGAs.

COST-EFFECTIVENESS

The PRIME is part of the new generation of 'graduation' programmes designed to move extreme poor households out of poverty sustainably. Review of these programmes has raised important strategic questions for governments and their international development partners, about cost effectiveness focusing on how

successful they are and how costly they are. The future role of graduation programmes in responding to the emergent concerns with comprehensive 'life-cycle' approaches to social security and to the SDG commitment to eliminate extreme poverty depends crucially on answers to these two questions. Positive answers to these questions are critical if graduation programmes are to provide an important impetus in the drive to eliminate extreme poverty. The PRIME scores well on both these counts.

The PRIME record on progress out of poverty is carefully reviewed in the various rounds of the independent Impact Studies conducted by the Institute for Inclusive Finance and Development (InM) with the most comprehensive assessment completed in the most recent seventh round. The results are discussed in detail in the accompanying Pathway Analysis paper and provide a positive account of progress out of poverty. Data from 2008, when the Impact sample was first selected, shows that nearly 70% of PRIME selected households[19] were in extreme poverty, according to the national definition, at programme entry. PRIME used

[18] *ENRICH (Enhancing Resources and Increasing Capacities of Poor Households towards Elimination of their Poverty) is a programme conceived by the current Chairman of PKSF and is organised at Union-level with one Partner Organisation for one Union. This integrated action programme includes 'the key components of education, skill training, technology, information, health services, food security and nutrition, awareness raising, facilitating access to assets, social capital formation, infrastructure, climate change adaptation, insurance services, market linkages and so on, along with appropriate levels of funding for the ENRICH participants to implement their planned socio-economic and environmental protection related activities' - (http://pksf-bd.org/portal/web/?page_id=118). Ujjibito (infused with new life) is a project designed to provide capacity-building and financial support to the GoB's Rural Employment and Road Maintenance Programme (RERMP) and to PKSF's own ultra poor programme (Buniad) - (http://pksf-bd.org/portal/web/?page_id=2273).*

[19] *70% in poverty refers to the PRIME 'credit-plus' households receiving the full PRIME package rather than households that received credit only.*

criteria[20] of income, occupation and land ownership to target participants which do not overlap precisely with the national definition. According to the study, as noted above (footnote 11), by 2015 70% of PRIME participants were above the national extreme poverty line. This is a key finding for Bangladesh, consistent with the international evidence referred to in the introduction of the positive impact of graduation programmes although more significant because PRIME, targeting over half a million households, is on a much larger scale, than the small pilot programmes assessed in the international study.

Beyond this key result using nationally accepted measures of poverty, a particular strength of the latest Impact Study is that other poverty and wellbeing measures are developed including one on multidimensional poverty and one on human dignity. In the comparison with the control groups these measure also show positive programme results and are a particularly valuable innovation because they reflect the evolving focus of PKSF and PRIME on inclusion of non-economic aspects of household welfare.

With respect to the second question on cost-effectiveness, there has been a recent study[21] comparing PRIME with other extreme poverty programmes in Bangladesh (Table 1). These programmes operate in somewhat different ways with respect to targeting and programme inputs so robust comparisons proved problematic but certain key results were possible. The table below, from this study, shows that PRIME costs were lower than any of the other programmes and that a higher proportion of costs were in the form of direct transfers than any of the other programmes. PRIME also had the lowest management costs absolutely, less than half of the next cheapest and only one-thirtieth of the most expensive. Thus, on cost effectiveness PRIME is by far the most effective of these interventions.

Table 1. Cost-effectiveness comparison of different extreme poverty programme of Bangladesh

	CLP 2	Shiree (excl. innovation fund)	PRIME	STUP	OTUP	Pension
Cost per participant (Tk)	120,662	29,216	6,860	24,725	11,292	39,599
Of which:, direct transfer	91,610	22,660	5,884	21,324	9,334	36,000
management	29,052	6,557	975	3,402	1,958	3,600

Cost Effectiveness Study p.xi.

This combination of low costs combined with effectiveness in delivering poverty reduction provides hard evidence of the value of the PRIME approach to the elimination of extreme poverty. The key to the success of the model is the purposive approach to the joint provision of financial and non-financial services. The financial services, which involve the establishment of new branches by POs are initially subsidised by PRIME but as loan sizes grow and more clients take on loan-based IGAs operational self-sufficiency improves. The 15 POs visited during the Project Completion Review reported that all branches except one had achieved operational self-sufficiency[22]. All of the POs are long-standing financial services partners of PKSF and this achievement builds on the long-term commitment, from inception, of PKSF to build a sustainable microfinance sector

These results for the PRIME on sustained poverty reduction delivered with great cost effectiveness are testimony to the efficacy of their graduation model. They mirror international assessment of the graduation

[20] *(i) A monthly household income threshold (initially, Tk1, 500, then raised to Tk3, 000, and then to Tk4, 000); (ii) one household member earning as a day labourer and (iii) land-ownership of 50 decimals or less. Baseline PRA data from the groups visited showed all member households reported less than three meals per day prior to joining PRIME. (Project Completion Review May 2016 p2).*

[21] *'Cost Effectiveness of Selected Livelihoods Interventions in Bangladesh' Emily Wylde, Bazlul Khondker, and Nicholas Freeland, February 2015, a DFID study.*

[22] *A more detailed study of financial services was conducted in 2014 which documents progress, differences between north and south, and between different tiers of P.O.s according to size. ('Partner Organisations/MFIs and PRIME' paper prepared by Ragini Chaudhury, May 2014, for DFID)*

approach. CGAP have recently conducted a cost effectiveness study of different extreme poverty programme approaches comparing graduation approaches with cash transfers and with mainstream livelihoods programmes[23]. Altogether, they review 48 programmes in a systematic comparison of costs and benefits and conclude that 'Based on current evidence the Graduation Approach is the clearest path forward to reduce extreme poverty'.

MAKING MARKETS WORK FOR THE POOR

Whilst there is no disagreement on the central role of private-sector led growth in achieving development objectives, the World Bank and many others have recognised that special efforts are required to ensure that such growth includes the poorest households. The increasing evidence on growing income inequality globally has underlined this concern, suggesting that current growth processes often do not include the poorest. This is a significant challenge for Bangladesh also as recognised in the new National Development Plan. To address this challenge, there have been a number of initiatives concerned with 'Making Markets Work for the Poor' (MFP) in Bangladesh and whilst they have recorded some success it has proved very difficult to ensure that the extreme poor are able to engage effectively. These households typically do not have the basic resources and capabilities that such programmes require and suffer from social exclusion making participation difficult. Graduation approaches, which specifically target the extreme poor, are a way forward and the National Plan recognises a role for Graduation approaches in addressing the needs of the poorest. PKSF, as the evidence cited above suggests, is well-placed to lead the expansion of such programmes.

From their long-term engagement in microfinance and through their specialised programmes in microenterprises, livestock and agriculture[24] PKSF has developed capacity on market-oriented programming and brings a market-centred approach to their Graduation programme. The PKSF approach to graduation is quintessentially a market-led approach and unlike many other extreme poverty programmes PRIME has invested substantially in developing new market opportunities for participant households. Whilst the development of family-based enterprise is common to all graduation programmes, PRIME have recognised the benefits from investing resources in moving beyond traditional enterprise operation. They do this in three main ways. First, an important component of their non-financial services is the provision of skills development training utilising specialised staff in POs and local-level government specialists. Second, they employ cadres of Technical Programme Assistants and of IGA Implementation Officers who are both specially trained to support enterprise development and help establish market linkages- they use a detailed set of ten criteria to help households identify suitable IGAs. Thirdly, the PRIME programme has benefited from a partnership with the LIFT programme 'The Learning and Innovation fund to Test New Ideas' which uses grants and loans to support innovation in IGAs. This has been a successful partnership of substantial benefit to PRIME participants and has led to the introduction of an important set of new enterprises[25]. The development of thousands of small-scale vermi compost plants for example has been an outstanding feature of IGA development with some POs in part because the market for sales has been strongly developed, helping farmers reduce dependency on chemical fertilizer and reduce the costs of crop production. IGA development has also involved also the mapping of opportunities for IGAs especially in the South programme where PRIME has identified new livelihood options in the salinity and tidal inundation prone areas. These have included eel production and crab production, including a crab hatchery as well as various crop (fruit and vegetable) production approaches for saline-areas.

In addition, the PRIME has developed a vocational

[23] *'Making Sustainable Reductions in Extreme Poverty: Briefing from a Comparative Meta-Analysis of Livelihood, Cash Transfer and Graduation Approaches', by Munshi Sulaiman, Nathanael Goldberg, Dean Karlan and Aude de Montesquiou, CGAP Cost-Effectiveness Forum Note, June 2016 (final draft).*

[24] *This includes the work of their Livestock and Agriculture Units as well as specialised market-development initiatives such as the new Promoting Agricultural Commercialization and Enterprises (PACE) project and the recently completed Finance for Enterprise Development and Employment Creation (FEDEC) Project.*

[25] *See the combined PRIME and LIFT Annual Reports for a detailed description e.g.: http://www.primepksf.org/Annual%20Progres%20Report%20PRIME%20&%20LIFT%202012-13_Final.pdf*

training programme with specialised training institutes catering for both home-based enterprise and formal employment opportunities. This is an important additional provision in the context of the MFP and provides the PRIME with the capability to respond to diverse economic contexts. Often, the participants in these programmes have been the children of programme participants which has the obvious advantage of addressing intergenerational poverty concerns.

The PRIME has benefited from the willingness of its POs to promote innovation and to develop their capacity through training and knowledge-sharing activities. For the POs, both working with the extreme poor and working with new types of enterprise represent

opportunities to extend their programming and to develop knowledge and capacity relevant to their wider programming. But the main benefit is to the PRIME participants who earn more from new higher value enterprise opportunities where the risks associated with innovation are managed through programme identification of sound livelihood opportunities, training and skills programmes and marketing support services. PRIME professionalism in their approach to enterprise innovation and market development supported by senior management commitment to MFP is a hallmark of the programme that distinguishes it from other extreme poor initiatives and provides an important example of a MFP programme which is of direct and substantial benefit to the extreme poor.

DEVELOPING NATIONAL CAPACITY

To implement the PRIME, the PKSF works with 24 Partner Organisations who were selected from amongst the 270 plus PKSF microfinance partners. One of the noteworthy features whilst implementing PRIME has been the quality of these partnership arrangements with an openness and enthusiasm for joint learning on the challenges of implementing extreme poverty programmes. For the POs, there was a need to recruit and train new staff as they sometimes found that their financial services staff were not suitable for the more empathetic approaches required to work effectively with the extreme poor who are often lacking in confidence and hope. But they also had to commit to new ways of working, new training activities and new types of responsibility in their relationships with PRIME participants. In some cases they could utilise existing skills, e.g. often in relation to running group meetings on special subjects or providing health services, and in other cases had to embrace innovation, e.g. often with skills development training and new types of enterprise. Because the POs had a long-term relationship with PKSF there was a level of trust and mutual respect that greatly facilitated the adoption of the new ways of working that PRIME entailed. This organizational capital is a significant endowment for PKSF and provides a basis for expansion of operations geographically since PKSF has partners in all the districts of Bangladesh. This means that PRIME can extend to priority areas where extreme poverty is endemic and respond to new poverty data, climate- related or disaster needs and specific government priority areas for poverty programming.

For the PKSF, this valuable organisational capital is combined with a corporate mandate to address poverty sustainably and a Board and Management commitment to do this in a holistic way encompassing a human development perspective and seeking to be inclusive. Within PKSF, graduation programmes can operate at scale, as shown by PRIME; and, because of the partnership arrangements they can ensure enduring relationships between participants and the POs providing the financial and non-financial services. Crucially, this means there is scope for flexibility in the time-scale on which participants move from subsidised or grant-based to wholly market-based services. These are critical features from a national development perspective because they provide the basis for long-term provision, for example within the context of the NSSS, rather than operating on a project basis. PRIME is well-placed therefore to build on these organisational strengths and provide a national vehicle for delivery of graduation programmes.

IMPLICATIONS FOR FUTURE PROGRAMMES

Bangladesh has been fortunate in having a national government commitment on poverty reduction and an engaged civil society which has supported this national commitment through programme and advocacy activities in support of poverty eradication. Through economic growth and a variety of special programme channels, significant progress on poverty reduction has resulted but the challenge remains huge, especially for the extreme poor. Both national and global evidence has shown that multifaceted programmes tailored to the specific needs of the extreme poor and that seek to 'graduate' them out of poverty can address extreme poverty sustainably. The discussion above concludes that PKSF, through PRIME, is well-placed to provide a cost-effective national vehicle for delivery of graduation programmes. In this final section we draw some implications of this conclusion.

THE LONG-TERM VISION

The new National Social Security Strategy (NSSS), as cited in the earlier discussion of national context, anticipates "progressive but substantive scaling up of the 'graduation' programmes". As the action plan for the NSSS is developed, PKSF experience, knowledge and expertise is an exciting potential resource for facilitating the elaboration of this proposed scaling up for graduation programmes. The most important strategic opportunity for future programmes is for PKSF to help realise this national commitment to graduation approaches.

In an earlier generation of poverty programming, the PKSF took the lead in the development and scaling up of the microfinance sector in Bangladesh; there is now scope to exercise leadership around livelihood-based extreme poverty programming. Donor funding has been crucial in the development of extreme poverty programming and DFID funding for PRIME has been an excellent example of effective partnership allowing an innovative mix of national and international resources to address extreme poverty. DFID leadership amongst the development partners on the extreme poverty agenda will continue to be important but increasingly Bangladesh development success will constrain access[26] to grant-based financing for development and national resources will need to fill the gap. The next phase of donor funding will be critical in developing a transition strategy; this strategy essentially requires advocacy and communication activities to try and ensure that graduation programmes are properly represented in budgetary allocations as the action plan for the new Social Security Strategy develops.

As implementation plans for the NSSS develop it is important to raise understanding of the graduation approach and how it fits into the broader social security agenda. PKSF should also ensure that its own capacity to implement is fully and widely recognised especially its unique capacity to provide partnerships with local NGOs and MFIs at a national-scale. These partnerships are a particularly important PKSF strength because they allow the effective provision of multiple programme components which are critical for sustainable graduation but would be challenging for other more sector-oriented national institutions. Based on its experience with making a success of PRIME, the advocacy and communications strategy needs to build on PKSF strengths more broadly. These strengths include:

- PKSF mandate on poverty and Board leadership that provides credibility and direction to mandate implementation;

[26] *Specifically, some international development partners will adjust their partnership arrangements when Bangladesh moves to middle income status and this new classification will affect access to grant funds and the cost of loan funds.*

- organisational capital and strength of its implementation partnerships;
- innovation in programme design addressing multidimensional poverty and responsive to geographic context
- strong evidence on sustainable graduation for the extreme poor
- cost effectiveness

SHORT TO MEDIUM TERM PRIORITIES

The PKSF experience with PRIME implementation gives it a unique opportunity to refine the graduation approach and provide leadership in addressing implementation challenges. There are three areas in particular where PKSF can develop implementation capacity internally, and of course share experience within the sector.

First, implementation experience has shown that even within the graduation livelihoods approach, there are different pathways out of extreme poverty and difference in needs dependent on household circumstances. PRIME experience has been well-documented both through impact studies and through its own RBMS which has identified three categories of households dependent on their degree of progress along a pathway out of extreme poverty. These are described in the annex. These differences affect participant capacity to respond to, and need for, different programme inputs. Programme staff of course recognise these differences during their engagement with participant households; the differences suggest that there is scope for tailoring of PRIME provision to match more specifically with the underlying differences in households' status. Such adjustments have the cost of expecting more from field staff –in this case differentiating household needs- but should result both in better directed use of resources and more responsiveness to the needs of transient and vulnerable households.

Secondly, the PKSF success with the PRIME – its scale and its performance on cost effectiveness when compared to other extreme poverty programmes- should lead to expanded graduation programme implementation opportunities, partly through donor financing; there will be need to ensure that implementation capacity within PKSF matches expected programme content and scale. There will be a need to work with new POs as new geographic areas are taken up whilst at the same time maintaining operating links in existing programme areas to ensure that POs are able to graduate all of their participants. New responsibilities will also need attention, e.g. in relation to advocacy and communications or in relation to managing the different pathways out of extreme poverty discussed above. Addressing the human resource implications of such changes or, eventually a more fundamental transition to a budgeted national programme, are an important issue for PKSF management that will affect capacity to provide sector leadership.

Thirdly, there are elements of the programme that have been an important part of the PRIME success but which might benefit from more systematic exposition and, perhaps from more capacity investments. This is especially in relation to advocacy and how core components are presented. For example, PRIME has been notable for its ability to link households to markets and to invest, often via LIFT, in the development of new market opportunities. This element has involved different types of activity including market identification work, training for both wage and self-employment, input and output sales and value chain support. PRIME has also supported participants by programme staff helping to develop social capital and in more personal ways by building their confidence and raising their self-esteem.

These two types of support given to households can be described as addressing 'hard' and 'soft' factors[27] of extreme poverty. These two different types of inputs are not necessarily fully captured in current standard programme descriptions -for example such as reported in the Figure describing programme components reproduced above.

In communicating the programme concept to other stakeholders, who might not have experience of graduation programmes, it would be valuable to elaborate around such hard and soft factors. Hard factors will be attractive to those stake holders committed strongly to market-based approaches; sometimes poverty-focused programmes are regarded with suspicion, and that grant-based programming is against market principles. So, a discrete emphasis upon these specific investments –hard factors- supporting the market-driven and rural growth orientation of PRIME might well be valuable in generating stake holder support for the graduation model. In contrast, an emphasis upon soft factors will help elaborate the attention to multidimensional poverty, explain the need for high staff ratios and, hopefully, strengthen other stake holders understanding of some of the fundamental differences characterizing the extreme poor which would not be addressed through more conventional approaches such as cash transfers. For both hard and soft factors there may be new resource needs; e.g. this may be because LIFT resources are not available or because new work areas require new investments to address 'hard' factors. For 'soft' factors, it is likely to be the case that programme differentiation to address the different needs of participant households is likely to mean that for some, notably those classified as vulnerable households, more systematic support addressing soft factors will be necessary.

The Chief Economist of DFID, UK, along with the then Country Representative for DFID Bangladesh, in a post-field visit discussion in Rangpur in May 2014.

[27] *Thorpe, Jodie, Alison Mathie and Yogesh Ghore, 'Market-Based Solutions for the Extreme Poor: Final Typology Report' September 5, 2016, Institute of Development Studies, Coady Institute and ADD International.*

PART - B

SUSTAINABLE TRANSFORMATION OUT OF EXTREME POVERTY – PRIME PATHWAY

SUSTAINABLE TRANSFORMATION OUT OF EXTREME POVERTY – PRIME PATHWAY

Md Rubaiyath Sarwar and **Galib Ibn Anwarul Azim**
Innovision Consutling Pvt Ltd

PRIME THEORY OF CHANGE

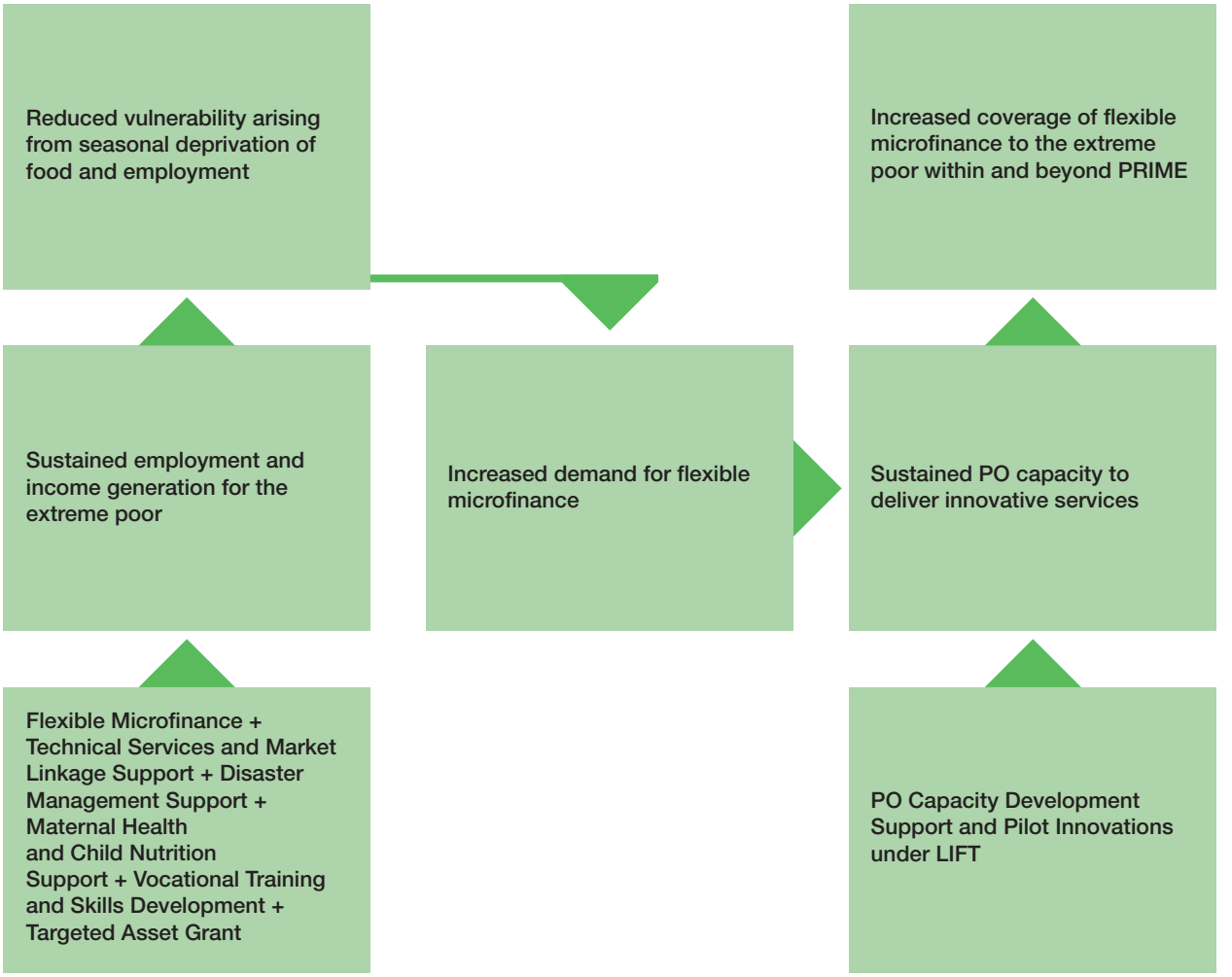
The PRIME evolved from a seasonal hunger and unemployment and post-disaster response programme to a comprehensive extreme poverty eradication programme. The theory of change acknowledged limited capacities of extreme poor households to increase income from existing economic activities while considering other aspects like risk aversion, lack of access to finance, lack of skills, weak human capital, maternal health and child nutrition and social exclusion.

Flexible microfinance tied up with non-financial support were provided as inputs to enable participants to productively engage in IGAs. The PRIME theory of change (See Figure 1) rests on the following foundations:

- A flexible and sustainable microfinance market system -- if complemented by technical and market linkage support, disaster management support, and provision of primary healthcare services and nutrition support -- will lead to sustained employment and income generation for the extreme poor and help them address vulnerability arising from seasonal deprivation of food and employment.
- Capacity-building support to the POs will help them sustain the innovations promoted under the PRIME, and thereby ensure that the POs in the long run can continue to scale up and increase coverage of financial services to the extreme poor.

The pilot of innovations under the LIFT provides further thrust to the system as the innovation methods and processes are adopted and scaled up through the participants under the PRIME.

FIGURE 01 PRIME Theory of Change

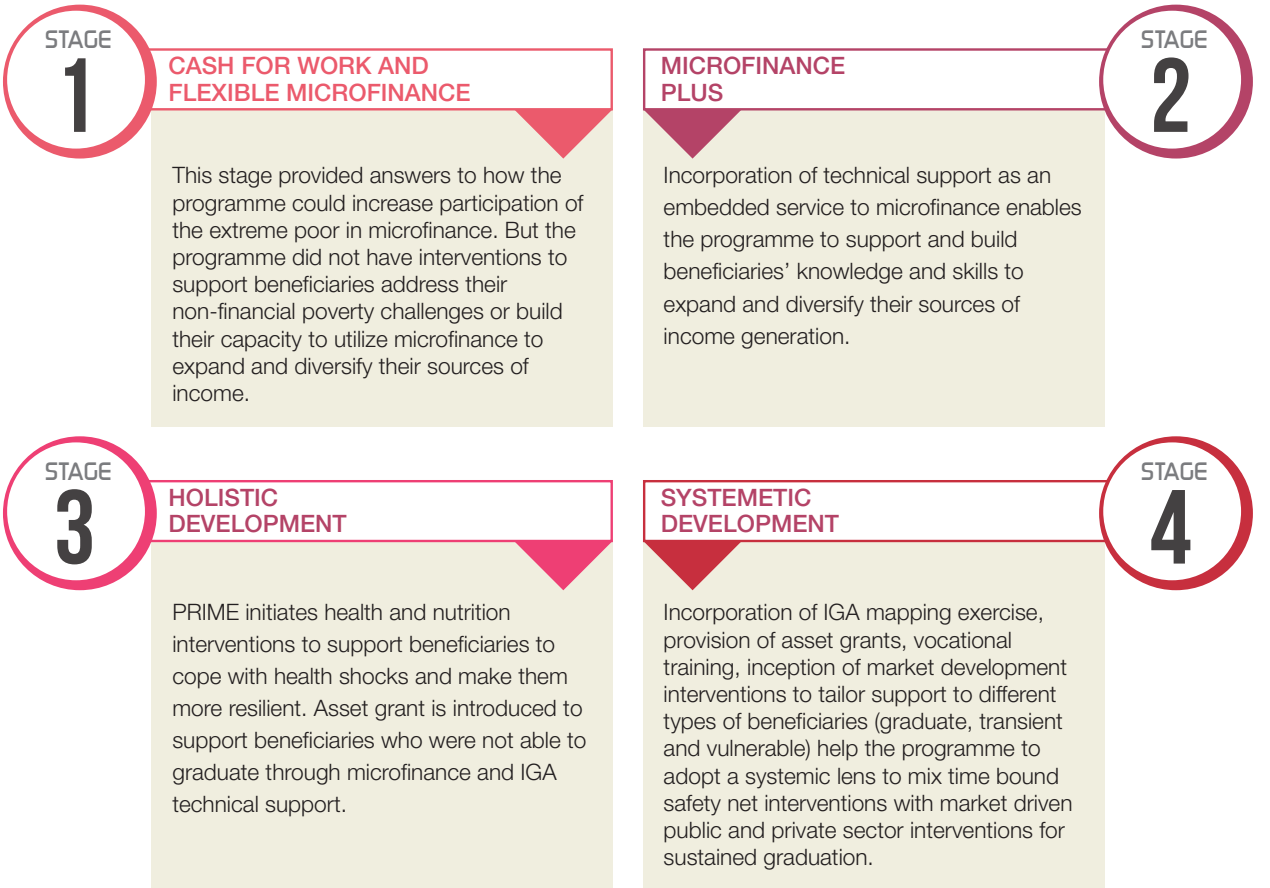


EVOLUTION OF PRIME

The PRIME evolved in several stages as it responded to field experiences and results achieved along the way. While its core instrument rested with the financial services (flexible microfinance), it evolved as a holistic extreme poverty alleviation programme responding to multidimensional issues of poverty. Further to that, as it evolved, the LIFT interventions were introduced and scaled up through the PRIME. This further strengthened the capacity of the programme to test and implement innovative ideas to expand income of the targeted households. The programme evolved through four stages (Figure 2) – first, it focused on flexible microfinance and evolved, in the next stage, to a microfinance-plus programme focusing on strengthening household capacity to graduate from extreme poverty through effective engagement in income generating activities. It then further evolved into a holistic poverty alleviation programme by incorporating interventions to insulate the households from health shocks, and by creating provision of asset grants to support extreme poor households that are not capable of utilising microfinance to start up and sustain income generation.

At the third stage, we saw signs that the programme had started to evolve as a market systems programme tailoring the interventions according to the participants' needs and on the basis of the most effective market instrument for addressing poverty challenges of the participants. At the fourth and final stage, the PRIME divided its participants in three categories -- (i) graduated (ii) transient and (iii) vulnerable -- and tailored is interventions based on the status of a household with respect to its position in the graduation pathway.

FIGURE 02 Four Stages of PRIME evolution



PRIME GRADUATION PATHWAY

In 2014, the PRIME introduced a monthly survey to check the status of graduation of the participating households. It categorized the participants into three categories -- (i) graduated (ii) transient and (iii) vulnerable. The POs collected data every month which was then used by the PKSF to construct a situation analysis every 6th month. In this survey, the households were evaluated against four indicators -- (i) per capita monthly income in the family (ii) income generating activities (iii) food intake, and (iv) productive assets.

Graduation pathways for Graduated Households

The monthly per capita income of the graduated households is above Tk 1200. These households have multiple sources of sustainable income generating activities, can afford regular 3 meals without loan and possess productive assets worth Tk 20,000 or above. Given the diversity in their sources of income and worth of the physical assets, it is unlikely that the graduated households under the PRIME would roll back into extreme poverty. The significance of income diversification and accumulation of physical assets in the graduation and sustainability of the graduation of

the PRIME households was underscored in the Pathways of Change Case Study (2014) and was further validated in this study. In this context, the following three cases from our investigation could be cited. In case 1, we summarize the graduation process of Komola Begum, a PRIME participant in the North. She was enrolled in the programme in 2009 and gradually expanded her sources of income - first through investment in livestock from savings and from loans, then by diversifying income sources through production and marketing of vermi-compost and through purchase of a van which provided income for her husband. She would also take lease of agricultural lands for production of rice, vegetables and other cash crops (potato, tobacco), and made investment in livestock. In case 2, we see how vocational training support provided to a participant's adult child helped the household expand its sources of income and strengthen its physical assets.

From savings to income diversification

Before enrolment in the PRIME in 2009, Komola Begum worked in neighbour's houses as a domestic help. She earned around Tk 100 per day or 1-1.5 kg of rice in exchange of her labour. Her husband worked as an agricultural labourer but was mostly unemployed. He had an irregular income of Tk 100-150 per day. Komola joined the PRIME as a savings group member. She took her first loan of Tk 5,000, purchased three goats with the loan and paid the weekly instalments from her and her husband's income. During this time, the PRIME PA Tech staffs trained Komola on production of vermi-compost. She bought worms, rings and other equipment and started composting.

In the meantime, she paid back the first loan and took a second round of loan of Tk 7,000. She used the loan to buy a rickshaw van for her husband. It brought additional income to the family. Once the family income stabilized, Komola took lease of 20-decimal land and started cultivation of Aman rice, potato, tobacco and different vegetable crops. She started to earn around Tk 25,000-30,000 per year from the produce. Around this time, Komola bought a heifer for Tk 15,000. Soon she started to earn Tk 1,000 per month from the sales of milk. Recently, she has started catfish farming in the backyard pond. Over this time, the family invested in renovating their thatched house.

This case of Komola Begum exhibits how the PRIME has contributed to creating diversified income sources for extreme poor families that did not have any regular secured income before. A mix of various IGAs reduced their vulnerability to shocks and made the transformation sustainable.

Vocational training changes the fortune for Sumon's family

Sumon Ahmed Sabuj Pradhan, a 22-year-old young man, works in the hosiery industry in Mahimaganj, Gaibandha. Sumon's mother, Mosammat Anowara Begum is a PRIME participant supported by SKS Foundation. Sumon, with several other youths of PRIME member households in the area received 45-day vocational training in the local hosiery industry back in 2012. This training was arranged as part of the PRIME interventions to transform young members of the participating households into skilled earning persons in the family.

Sumon now works in a local knit factory on contracts. He is paid on piece meal basis. On average he makes 10 pieces a day. The pay ranges from TK 30-90 per piece. At the end of the month he earns about Tk 15,000. But he does not take the month's salary. Instead, he takes an advance of Tk 10,000-12,000 at the start of the season which lasts for about 6 months a year. He uses this money to buy a couple of goats and rice for his family. One goat is raised in his house. The other is given adi (lease) to a neighbour. Then he draws TK 500-700 a week. This pays for the week's living. At the end of the contract after 6 months, he withdraws the rest of his salary and uses it for something bigger. He started with a poultry farm with 300 birds. Now he has two sheds, one with 500 birds and the other with 1200 birds. He earns about Tk 8,000-10,000 a month from the poultry farm. He has helped the family reconstruct the house. With his

income, Sumon takes care of his father and mother. He is also supporting his elder brothers and sisters who don't live with him and his parents.

Sumon's story is an example of how vocational training provided by the PRIME enabled young members of extreme poor families to engage in new IGAs, diversify family income sources and make transformation faster. He generated savings from his limited income and strategically invested in other IGAs which helped increase income within a short period of time. Sumon's case is an evidence which shows if extreme poor households can generate savings in the earlier stage and invest it to diversify income sources, transformation out of poverty becomes faster.

Graduation pathways for transient households

The difference between the graduated and transient households is narrow. If compared to the graduated households, the transient households have lower per capita monthly income (within Tk 800-1,199). Further to that, the physical assets possessed by the transient households are worth below Tk 20,000. While an accurate data is not available, PKSF observes that about 50% of the transient households are at the threshold line of graduation. The rest are at risk of falling back if programme support is discontinued. It is thus pertinent to analyse why certain households are able to graduate while some are not able to do so even though they received the same support and what could be done in this context by an extreme poverty alleviation programme. Our findings suggest that the response to the programme interventions vary because of endowments that the households bring in when they are enrolled in the programme. These endowments, which includes household's entrepreneurship and leadership aptitude, land ownership/access at the time of enrolment, skills, prior engagement and experience in off-farm and on-farm IGAs, vary between the households even if they all qualify as extreme poor. At the time of enrolment, the graduated households were better off if compared to the transient households with respect to these endowments. They thus responded to the programme interventions better and were able to diversify their sources of income and accumulate assets at a faster rate than the transient households.

A small sample survey undertaken to understand the differences in endowments between the graduated, transient and vulnerable households reveals some interesting insights in this context. The survey indicates that at the time of enrolment, the average land holding of graduated households (around 15-30 decimals) was higher than the transient households (below 15 decimals). Subsequently, graduated households increased their land holding size faster than the transient households. The higher average land holding size of the graduated households meant that they could quickly diversify their sources of income by mixing both off-farm and on-farm income generating activities.

The graduation pathway for vulnerable and excluded communities

Review of the vulnerable households under the PRIME suggests that these households were not able to transform their livelihood because of incapability of the household to invest in diversified ranges of IGAs. Several factors contribute to the vulnerability. PRIME participants who are old and are not supported by adult male members (labour-constraint households) were found to be less able to diversify their income sources. Further to that, PRIME member households in which the head earner is deceased or disabled are not able to invest on income diversification and asset accumulation. These households are dependent on emergency loans and grants. The PRIME participants who belong to the excluded communities have to go

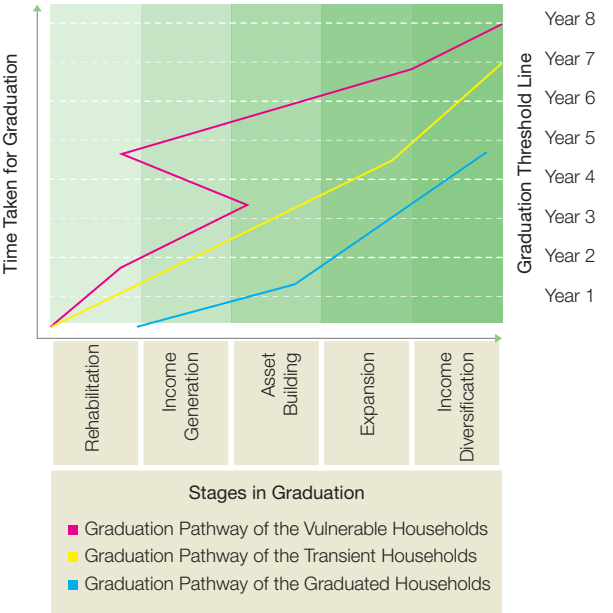
through much deeper transformation process as they have to overcome their social barriers and stigma. The degree of vulnerability of these households could be understood from the case of the Dalit Communities.

The PRIME started supporting Dalit community of Kumira in Tala Upazila of Satkhira district in January 2012 when the programme was expanded in the Southern regions. Unnayan Prochesta, a PO that implemented PRIME, started working with these socially secluded marginalized households to promote sustainable employment and change their socio-economic status.

Dalits have been living in a small area in Kumira for generations. These landless families reside in the land owned by a local landowner family. They are secluded from mainstream socio economic activities and are treated as outcaste by both Muslims and Hindus. Being poorest of the poor, they never received any NGO or MFI support before PRIME intervened to change their condition. Previously, most of the female members of the households used to work as house help for solvent families in the area and the male members were involved in raising pigs. They were not employed in agricultural labor or other types of works. Their children did not go to school, suffered from hunger and lacked in nutrition. These families also faced severe crisis of pure drinking water in the area. Due to not having proper sanitation facilities, they also suffered from water-borne diseases. Subsequently, these households required a mix of social safety net, asset grants, water and sanitation interventions in addition to flexible microfinance, skill development, technical support for them to be able to transform their livelihood. While the progress has been good and these households have now better acceptance in the society, their economic condition is still not stable enough for them to qualify as graduated households. However, given that they have overcome the social barriers, with 2-3 years of additional support financial and technical support, these households are expected to graduate out of poverty. The time taken for graduation is a critical factor in this context which we further in the section below.

Figure 3 shows that graduation is not linear; households vary with respect to their response to programme support. The graduation pathway of PRIME participants shows that the extreme poor responds to the programme interventions at varying degrees and their

FIGURE 03 Illustrative mapping of the graduation process of different categories of PRIME HHs



capacity to graduate varies with respect to the endowments they bring in at the time of their enrolment in the programme. This is because the extreme poor are not homogenous at the beginning of the programme. They vary in their asset base, financial capital, human capital and social capital. As a results some of the extreme poor can graduate in a shorter period of time than the others. The 'Pathway of Change' case study (2014) of PRIME participants identified four stages in the graduation pathway -- start-up, asset building, IGA expansion and income diversification. Building on the findings of this study, it can be argued that the transient and vulnerable households first pass through a rehabilitation stage before they 'start-up' or start income generation with flexible microfinance, technical and skills development support provided under the PRIME.

As illustrated in Figure 3, both the transient and the vulnerable households passed through a stage of rehabilitation in which they absorbed the cash injected by the PRIME to address immediate household needs. This included treatment of the household head, construction of small thatched houses, payment of school fees and re-enrolment of children at school,

repayment of loans etc. These households often start-up with a couple of goats or a cow but the income from these sources are consumed to meet the household needs and the households are not able to immediately start-up income generation by investing on productive assets. Our findings suggest that the vulnerable households pass through 1-2 years of rehabilitation while the transient households pass through the rehabilitation stage within the first year of support. However, while transient households slowly begin to pass through income generation and asset building stages, the vulnerable households often re-enter the rehabilitation stage because of health, economic and natural shocks. They are thus not able to enter the asset building, income expansion (higher income for from one IGA) or diversification stages which could insulate them from such shocks. The graduated households on the other hand are able to start income generation faster since they are relatively well off with respect to their asset base, leadership aptitude, skills and household demography. They were thus able to fast track income generation and enter the asset building stage within year 2 of PRIME support. These households often entered the expansion and income diversification stage within year 3 and 4 and entered the graduation threshold line as defined by the PRIME within year 5. The transient households on the other hand passed through the asset building and expansion stage at a relatively slower pace and thus remained vulnerable to shocks for a relatively long period of time. The cases investigated for this study suggests that the transient households enter the income expansion and income diversification stage between year 4 and 6.

Push and pull interventions for sustainable graduation

As noted earlier, as of June 2016, 43% of PRIME participants graduated; 43% were about to graduate and the rest 14% were still at vulnerable stage. The graduation pathway analysis underscored the factors that led to differentiated impacts: some households graduated faster while others took time. While some households can make use of flexible microfinance and technical services, others require safety net supports. The dependence of the participants on the interventions and the relevance of the interventions to the graduation process thus changed over time.

The asset grant combined with emergency loans and disaster management support helped households withstand shocks and pass through the rehabilitation stage. Flexible microfinance combined with technical support, skills development support, vocational training and education helped households pass through the income generation, asset building, IGA expansion and diversification stage. The primary healthcare and nutrition interventions along with disaster management support made the households resilient to health shocks and contributed to long-term household sustainability by ensuring that the children grew up healthy.

Therefore, as the households passed through the stages in the graduation pathway, the context, need and dependency of the households on the interventions shifted. Graduated households were lesser dependent on the technical services, skill development and vocational training. However, they required finance and market linkage support to be able to continue the growth of their micro-enterprises. The transient households were still dependent on technical services and some of them required emergency loans to be able to withstand shocks and continued their shift towards graduation. The vulnerable households required asset grants in addition to emergency loans, technical services, and disaster management support to be able to withstand deep shocks and begin the graduation process. It is thus evident that while the interventions are all relevant, the scope of sustainability varies. While the need for asset grant, technical services, skill development and vocational training diminishes as the participant s graduate, the need for finance and market access increases.

Based on this review, it can be deduced that there are two critical factors for sustainable graduation:

1. *Mix of push and pull interventions:* The degree to which the programme is able to ensure long-term mix of push interventions (supply driven and dependent on aid or public financing, for instance asset grant, primary healthcare and nutrition support) and pull interventions (market or demand driven, for instance flexible microfinance, technical services); and

2. *Adoptability of the programme interventions:* The degree to which the programme is able to innovate and adopt the context of the programme participants in their graduation process or graduation pathway.

Sustainability of PRIME interventions thus needs to be reviewed through a framework that allows us to understand the degree to which the programme was able to adopt a mix of push and pull interventions and the degree to which the prorgamme is adoptive. We used the market systems lens which provides the framework to analyse the sustainability of PRIME interventions and the future scope.

PRIME as a sustainable market systems programme

The PRIME was not designed as market systems programme but it evolved as one. The following features makes the PRIME a holistic market systems programme for extreme poverty alleviation:

- **PRIME addresses the root causes of poverty:** The PRIME started with Cash for Work (CFW) which is a safety net programme that responses to the seasonal unemployment and hunger by creating short-term employment opportunities but does not create sustainable long-term economic opportunities that could generate employment for the extreme poor. However, the PRIME soon introduced Flexible Microcredit programme which addresses the root cause -- the extreme poor do not have access to the capital to invest in income generating activities. The PRIME complements the flexible microcredit programme with technical service provision which addresses the root cause- the extreme poor often do not know which income generating opportunities they could invest in and what technical know-how are required to start-up. The emergency loan addresses periodic shocks faced by the extreme poor. The interventions on primary health care and nutrition and disaster management further insulates the poor from the shocks. The market linkage support ensures that the poor who needs to cater to regional, national and export market to sustain the growth of their micro-enterprises are able to do so.

- **PRIME is an adoptive programme:** As mentioned earlier, the PRIME is not a fixed term prescriptive programme. The interventions evolved over the years to reach the current state of the programme where it has a package of interventions which are made available to the programme participants based on their need. The market linkage support is provided to the graduated households while the asset grant support is steered towards the vulnerable households. The programme has a mix of push and pull interventions relevant to the status of the targeted households in the graduation pathway.

- **PRIME is implemented by a market actor:** A unique feature of the PRIME, as we explained before, is that the donor fund is channelled directly to a market actor, the PKSF. In the microfinance market systems, the PKSF has a pervasive role. It is the source of finance for the Micro Finance Institutions (MFIs) in Bangladesh. It is serving about 12 million clients in Bangladesh through 270 MFIs, officially termed as partner organizations (POs). The PKSF also participates in the support functions through organisations like Institute for Inclusive Finance and Development (InM) and in the regulatory functions through Microcredit Regulatory Authority (MRA). Programmes like CLP and SHIREE are implemented by management contractors which are not market actors. To implement market systems programme, these organizations are tasked to assume the role of a facilitator and work with the likes of PKSF.

- **The programme implementer has a vision for scale and sustainability:** The PKSF continued with the LIFT interventions even after withdrawal of the DFID support in 2011. The experience of the PRIME has already been used to design and implement other PKSF programme like Ujjibito. The large network of the PKSF and its client base means that the PRIME experience has an immediate impact on the ultra-poor beyond the programme territories. Interventions like Black Bengal goat breeding farms, tested under the LIFT, are scaled up under the PRIME and subsequently through other PKSF programmes. The capacity is institutionalised both at the PKSF and the PO level and is reflected on the growth of number of branches and number of participants served by the POs.

Thus PRIME is a systemic market development programme and therefore there is a strong foundation for sustainable and scalable results for extreme poverty alleviation.

Sustainability of development under PRIME

Many of the PRIME interventions are being sustained and continued by the PKSF without donor support. PRIME packages are being mainstreamed and institutionalised by both PKSF and the POs. The PKSF has already adopted PRIME terms of borrowing in its core microfinance programme called 'Buniyad'. The

PRIME POs have integrated many of the technical staffs of the PRIME to continue the non-financial services in the post-PRIME period.

The PRIME is more cost-effective if compared to other extreme poverty alleviation programmes. The cost-effectiveness study conducted by the DFID showed that the PRIME is the least expensive programme amongst all other programmes with similar objectives (CLP, SHIREE, STUP, OTUP, Pension). The cost per participant in CLP was Tk 120,662 while it was just about TK 6,860 in PRIME.

The PRIME POs have market incentives to sustain the PRIME interventions. The incentives of the POs to continue the PRIME branches and retain the PRIME staffs could be traced back to the fact that the PRIME has been profitable for them in terms of expanding to new customer base, increasing the portfolio size and reaching out to extreme poor households who were excluded from conventional microfinance. Besides, PRIME non-financial services added more humane face to and better recovery rate in PRIME branches. As a result by June 2016, over 65% of the PRIME branches had an Operational Self Sufficiency (OSS) of at least 100% (i.e covered all their costs). The POs benefitted from the PRIME in two ways. First, the PRIME helped them expand to households otherwise not targeted by them. Second, as the households graduate, they transfer to regular microfinance terms at higher interest rates. This increases the profitability and generates surplus from the interests which the POs could invest in retaining the capacities required to sustain the PRIME packages and service delivery mechanism to target the ultra-poor. The increased capacity of the POs is further reflected on their intent in continuing the non-financial services that are introduced under the PRIME.

Sustainability of PRIME financial services

How are the POs responding to PRIME interventions and sustaining the delivery of these interventions beyond the PRIME? Responses of some PRIME POs to this question are as follows:

Nowabenki Gonomukhi Foundation (NGF) has 19,122 PRIME members who are served through nine PRIME branches in Satkhira district in the South. According to the NGF, the PRIME had several transformative impacts on the organization's capacity to deliver microfinance services to the ultra-poor. A key change has been that the organization can now better analyse the needs of the target participants, determine the IGAs that are suitable for the participants and provide financial and non-financial services tailored to the needs of the target participants. This helped the NGF ensure that the loans are appropriately sized to the need of a participant to start-up or expand an IGA. In this context, the IGA mapping exercise that was undertaken under the PRIME had a major impact on the organization and the capacity of its staffs. Besides, due to the PRIME they have a diversified portfolio of participants comprising poor, ultra-poor and non-poor participants. This has reduced their credit risk. The NGF has retained one Palli Paramedic and one PA-Tech Officer for every three branches. The organisation however has decided to drop the Community Health Promoters (CHPs).

According to Jagoroni Chakra Foundation (JCF), the savings of the ultra-poor participants have increased due to their rapid economic growth and well-being. At the time this study, the JCF had a savings of Tk 60 million with PRIME branches, of which Tk 24 million was with the ultra-poor. The increase in savings means that the JCF has increased its lending capacity. The JCF was operating 11 PRIME branches in the South serving

20,910 participants and 6 PRIME branches in the North serving 9,218 participants. Ad-din Welfare Foundation reported that the PRIME staffs have more multidimensional skills compared to their non-PRIME staffs. Ad-din retained all the PPs and PA Tech officers of Prime. This is in line with Ad-din's strategy to incorporate a more holistic sustainable microfinance programme instead of the conventional ones. It is important to note here that Ad-din introduced several innovative IGAs which includes tailoring hospital gowns and diploma nursing for daughters of selected PRIME participants (about 140). The organisation operates nursing institutions and hospitals and was thus able to synergise the PRIME interventions with its other operations. Ad-din served 5000 participants through three PRIME branches in the South. The non-financial technical services thus allowed Ad-din to expand their portfolio beyond microfinance.

The non-financial services are also being institutionalised but not at the same level of the financial services: The programme participants ranked non-financial support services (health services, technical assistance for IGAs, skill and vocational trainings etc) as the most significant of the interventions under PRIME. To sustain these services, POs adopted the following strategies:

- Several POs levied charges for services such as vaccination of animals and consultation with doctors at health camps. While these service charges are nominal and do not cover the cost incurred, it is likely that the POs would continue to deliver these services since it results in increased business for them.
- PRIME POs kept some of the technical staff after PRIME ends. To maintain health services, the POs adopted the model where households pay around Tk 100 per year for a package of primary healthcare via a paramedic. Such quasi-health insurance was a good way to continue the health services introduced by the PRIME.
- Some health service providers and IGA support staffs (mostly PA techs involved in livestock support services) of the POs started providing services in the community to non-PRIME members in exchange of nominal fees. Some other technical staffs left their jobs and started providing these support services to the people. They are generating good income from these services and will continue as freelance service providers. In general, the PRIME non-financial services will sustain and evolve beyond the PRIME but not to the degree and scale achieved under the programme.

It can be concluded that the non-financial services should be delivered by the programme and the costs for these should be borne by the programme under the push interventions while the pull interventions should be driven by the market principles.

PRIME LESSONS

Some of the key learnings from the PRIME suggest a strategic road map that could be adopted to sustain and leverage on the achievements of the PRIME.

Adaptive programme management is a critical factor for extreme poverty alleviation

The key to the PRIME success is that it is not time-bound or prescriptive. The interventions evolved in response to the learning and experience and in response to the need of the participants as they evolved in the graduation pathway. The programme in this regard is quite different than other extreme poverty programmes in Bangladesh which are time-bound and prescriptive, and are designed on the assumption that extreme poverty can be addressed within a stipulated time frame and through a set range of project-driven interventions. The graduation pathway analysis of the PRIME suggests that graduation is not linear or time-bound and cannot be achieved within a stipulated time frame.

Mix of long-term push and pull interventions are needed to support graduation

The PRIME experience also shows that to address multidimensional aspects of poverty, it is essential that the programme works with a participant till they are able to accumulate sufficient assets through diversified sources of income before the programme interventions are withdrawn. While most of the extreme poor households are able to reach the graduation threshold line by year 7, the vulnerable households require longer term support. Further to that, upon reaching the

graduation threshold line, the graduated households require support to market their produce to the regional, national and export markets so that they are able to grow their microenterprises. The programme thus need to be mandated to apply a mix of interventions that complement each other over a long term period. This would allow the programme to ensure a mix of push and pull interventions, in which the push interventions would drive the households towards the poverty threshold line and the pull interventions will move them up further and ensure that they are resilient (Figure 4).

Push interventions

The push interventions include but shall not be limited to – asset grants, emergency loans, primary healthcare and nutrition support, disaster management support, vocational training and skills development support. The scale of push interventions should reduce gradually over the programme period and should gradually be taken up by the pull interventions. Based on the review of the graduation pathway, it can be suggested that the scale of push interventions could be reduced from year 3 in the programme and could be withdrawn completely for graduated households by year 5. However, for transient and vulnerable households, it could continue till year 7. By then, the most vulnerable of the households should be taken over under social safety net schemes of the government and the programme should stop the push interventions. The transfer to the social safety net programmes could also take place at the inception of the programme after the participant selection exercise. The elderly and disabled participants could be transferred to social safety net schemes at the very beginning of the programme since the PRIME experience shows that these households cannot be graduated through flexible microfinance and technical services even with continued programme support. The transfer in year 7 should thus be for those households which have fallen back due to health, natural and economic shocks that were outside the programme control. While all participants should qualify to receive the push interventions at the inception of the programme, the scope of asset grants should be limited to households having the lowest endowments for graduation, which can be measured by the following criteria: (i) the household is fully dependent on seasonal labor and does not have leased or owned land (ii) the household has immediate rehabilitation requirements and therefore cannot invest in income generating activities and (iii) the household is female-headed and does not have young adult, male or female, to engage in income generating activities.

Pull interventions

Unlike the push interventions, the pull interventions are driven by the market. The interventions will include flexible microfinance and enterprise loans, technical services on production, market linkage and market access, product development and innovation. Product development and innovation in this context refers to the LIFT interventions. While flexible microfinance will be the entry intervention, enterprise loans and market linkage services should be made available depending on the position of a household in the graduation pathway. Households entering the graduation threshold at any point in time should have access to this support. The cost of technical services, market linkage and market access could be embedded to the PO cost of operations. The POs could be provided preferential rates for cost of borrowing based on their investment in market linkage and market access services ex post facto. Product development and innovation could be undertaken by both private sector and NGOs under a market development fund or grant scheme. Market linkage and market access services are also expected to attract private sector provision of technical knowledge and market information, thereby reducing the need for project's engagement on technical services. In this context, we propose that while the current strategy for technical service provision could be

retained, the service could gradually be transferred to market actors ensuring that at the time the project support is withdrawn, these services are available to the participants. Between year 7 and year 10, the programme should focus solely on pull interventions ensuring a successful and sustained exit of extreme poverty alleviation interventions.

FIGURE 04 Push and pull interventions for sustaining graduations

PULL INTERVENTIONS-MARKET DRIVEN

- Flexible microfinance and enterprise loans
- Technical services on production
- Market linkage and market access services
- Product development and innovation

GRADUATION THRESHOLD LINE

A household has more than TK 20,000 worth of physical assets, is engaged in multiple off farm and on farm income generating activities and has a minimum household income of TK 1200 per household member per month.

PUSH INTERVENTIONS-PROJECT DRIVEN

- Group Formation
- Asset Grant
- Emergency Loans
- Disaster Management Support
- Primary Health Care and Nutrition
- Vocational Training and Skills Development Support

PART - C

PROSPER

PROSPER

The PKSF has been working for the poverty reduction of the ultra-poor since 2004. With a view to combating extreme poverty prevailing in the economically fragile Greater Rangpur region, the PKSF in 2006 launched the PRIME as a pilot programme in Lalmonirhat district targeting the monga-affected ultra-poor people. The same year, the LIFT programme was initiated to support new ideas with the potential to alleviate poverty from a non-conventional point of view. Later, following an exchange of development assistance between the Government of Bangladesh and the Government of the United Kingdom, the Department for International Development (DFID) came forward to finance these programmes to accelerate the pace of poverty alleviation efforts in Bangladesh.

The DFID started providing financial support from July 2007 under Promoting Financial Services for Poverty Reduction (PROSPER) programme. It too ended in June 2016.

The PROSPER used a sectoral approach to achieve its objective of a sustainable microfinance sector in Bangladesh that offers greater access to diversified financial services for the poor. In May 2007, the Government of the UK through the DFID made a grant of £40,000,000 (forty million pounds) of which £32,800,000 (thirty two million eight hundred thousand pounds) as financial aid and £7,200,000 (seven million two hundred thousand pounds) for technical cooperation. Around two-thirds of the fund went to participants through financial intermediaries and the remainder was utilised for enabling work on regulation and capacity building.

The aims of the programme, which were linked to the PRSP (Poverty Reduction Strategy Paper) of the GoB, are as follows:

- Increased access to financial services for 20% of those in the target group of extremely poor people, and micro and small enterprise (MSE) entrepreneurs and farmers, which would improve income for an estimated number of 10 million people;
- Introduction of flexible financial and other support services to help eliminate Monga for about 3 million people;
- Legal protection of savings for 15 million poor households through implementation of new regulations.

Box 1	Programme Components
Outputs	**Implementing Partner(s)**
Output 1: PROSPER financed organizations and PROSPER replicators effectively deliver innovative and sustainable financial services, especially for the extremely poor as well as micro, small enterprises and farmers	Palli Karma-Sahayak Foundation (PRIME, LIFT), Bangladesh Bank (Small Enterprise Finance, Credit Information Bureau)
Output 2: Facilitation of an effective Microcredit Regulatory Authority	Microcredit Regulatory Authority (MRA)
Output 3: Supply, demand and outcomes of training, consultancy, research and development services are significantly improved (quantitatively and qualitatively)	Institute of Microfinance (InM)

MANAGEMENT PROCEDURES

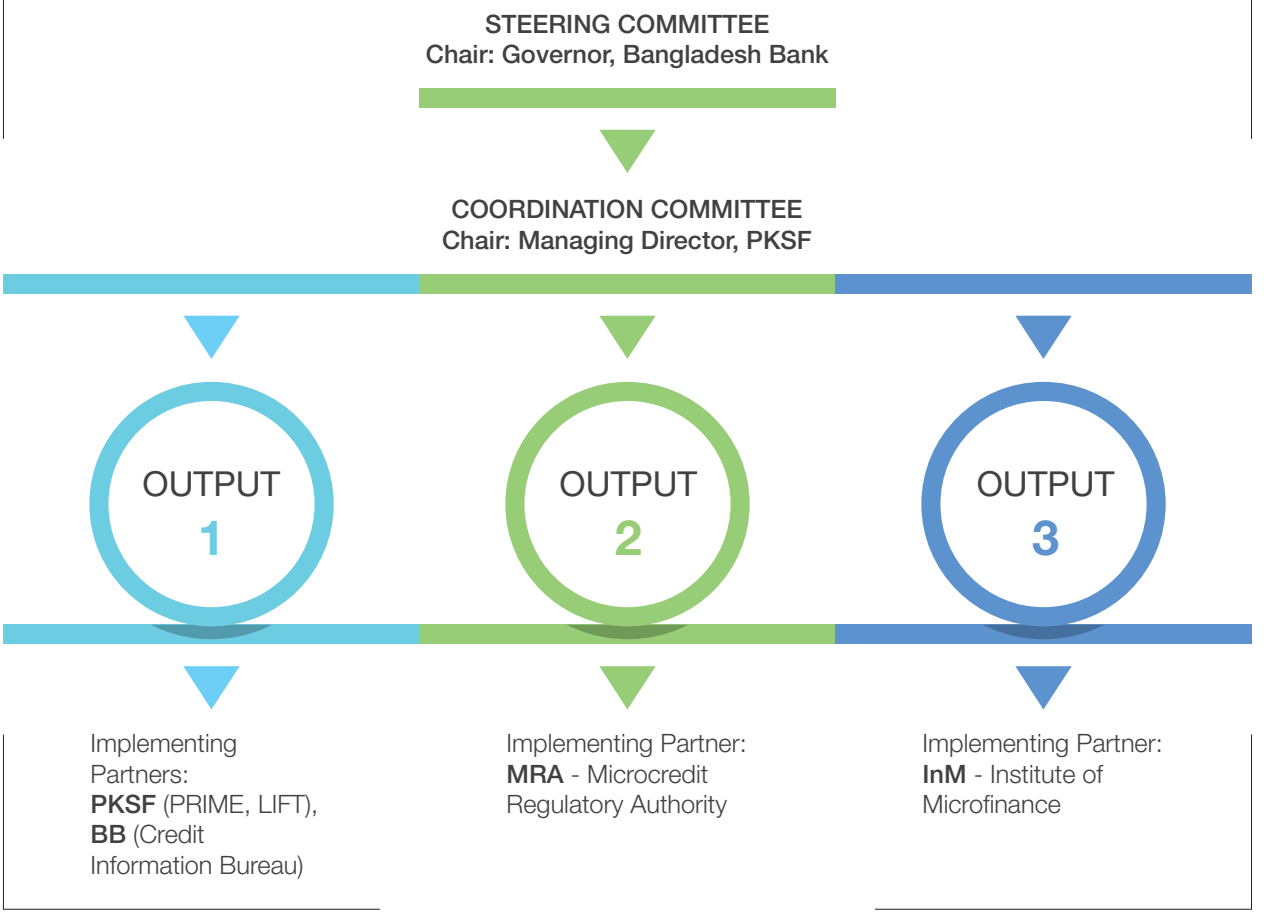
At the policy and strategic level, the PROSPER Steering Committee (PSC), chaired by the Governor of Bangladesh Bank, provided overall policy guidance to the PROSPER programme, approved the overall work plan and budget for the programme, and determined the degree to which the major objectives were being achieved (Figure 60).

Chaired by the Managing Director of the PKSF, the PROSPER Co-ordination Committee (PCC) reviewed progress, approved annual work plans and budget for each of the implementing partners. The PCC also discussed key findings from the annual and other strategic reviews and coordinated the generation and dissemination of knowledge emerging from the programme.

The PROSPER Finance and Administration Unit, known as 'Project Coordination Unit (PCU),' provided support to the donor groups and managed donor fund flows, facilitated procurement and disseminated information on the programme. It takes on an extended role with respect to knowledge management and providing support to Monitoring and Evaluation (M&E) to various Partner Organizations under the PROSPER.

PKSF and DFID officials in a group meeting with PRIME participants in Rangpur in 2009.

PROSPER
Management Structure



PART - D

PRIME

PRIME

Programmed Initiatives for Monga Eradication (PRIME) is a sub-component of the DFID-supported Promoting Financial Services for Poverty Reduction (PROSPER) programme. Palli Karma-Sahayak Foundation (PKSF) implemented the 10-year-long Programme.

Monga, a seasonal food deprivation, used to plague the country's northern districts of Greater Rangpur since the colonial times. It was characterised by severe lack of food, for some up to three meals a day, for the extreme poor households during the months of September-November and March-April, the interim periods between the plantation and the harvesting times. Monga was caused largely due to the absence of employment among the poor with little or no assets to fall back on during times of hardship. The geography of the region, with two major rivers forming a large number of inaccessible islands (chars) with very little employment opportunities and low wage rates contributed further to the vulnerability of the people in the region. Skewed distribution of land, utter dependence on crop-based farming activities, lack of industrialization and recurring natural calamities would lead to immense hardship of monga-affected households.

To address the issue of Monga in a more meaningful way, the PKSF started the PRIME in 2006. A year later, the DFID joined in under the PROSPER project.

This final report records the progress of the PRIME up to June 2016 based on the operations in the greater Rangpur region, noted here as the PRIME (North), and partially the progress in the South-western region, referred to as the PRIME (South) here. In addition to the output-level progress, the coverage, outcome and impact of the PRIME on its participants, especially for the PRIME (North), has been included.

OBJECTIVE OF PRIME

The objective of PRIME was to prevent negative consequences of Monga in the north and Monga-like situation in the south of Bangladesh and to ease economic hardships faced by the ultra-poor in the short term while alleviating poverty in the long term. In general, the project aimed to generate income through self and wage employment opportunities.

PRIME WORKING AREAS

The PRIME was initiated in the 5 monga-affected districts -- Rangpur, Gaibandha, Kurigram, Lalmonirhat and Nilphamari -- of Rangpur division. With the changing poverty dynamics in the country, the PRIME was later expanded to 12 coastal upazilas of Khulna and Barisal divisions after the areas had been devastated by cyclones Sidr in 2007 and Aila in 2009, and further to three poverty-prone upazilas of Dhaka division. The PRIME working areas can be classified into three categories:

- North-western region: All 35 Upazilas of Rangpur, Lalmonirhat, Nilphamari, Kurigram and Gaibandha districts.
- South-western region: Twelve Upazilas (Assasuni, Tala, Kaliganj and Shyamnagar of Satkhira district; Koyra and Dacope of Khulna; Hizla and Mehendiganj of Barisal; Kalapara, Golachipa and Dashmina of Potuakhali; Amtoli of Barguna).
- North-eastern region: Three Upazilas -- Islampur, Dewanganj and Melandoho -- of Jamalpur.

BANGLADESH


PRIME WORKING AREAS
(Districts Indicated)
NILPHAMARI
LALMONIRHAT
KURIGRAM
RANGPUR
GAIBANDHA
JAMALPUR
INDIA
(Assam)
INDIA
(Tripura)
BARISAL
KHULNA
SATKHIRA
INDIA
(West Bengal)
PATUAKHALI
BARGUNA
MYANMAR
(Burma)

TARGETING PRIME MEMBERS

To identify monga-affected HHs, the PRIME conducted a census collecting benchmark information on 29 broad indicators of socio-economic conditions, such as family size, income, asset, employment, consumption, migration, asset sale, loan, food security, involvement with microfinance institutions (MFIs), etc. Potential PRIME member HHs were then identified based on three proxy indicators -

(i) monthly household income of Tk 4,000 and below (initially, it was Tk 1,500 in 2006-07 and Tk 3,000 in 2008-10);

(ii) one earning member as day labourer; and

(iii) Ownership of 50 decimals of land or less.

The PRIME (North) HHs were identified in 35 Upazilas of Rangpur division during 2006-08 and the PRIME (South) HHs in 15 upazilas during 2010-12. The results are shown in Table 2.

Table 2. Monga-affected households in PRIME (North) and PRIME (South)

PRIME Area	Districts	Total HHs	*Monga* affected HHs	MFI-linked HHs	Potential HHs for PRIME activity
PRIME (North)	Lalmonirhat, Kurigram, Nilphamari, Rangpur and Gaibandha (all 35 Upazilas)	1,959,249	861,993	257,177	604,816
PRIME (South)	Satkhira, Khulna, Patuakhali, Barisal, Barguna and Jamalpur (selected 15 upazilas)	755,825	252,958	84,503	168,455
PRIME (Total)	11 districts (selected 50 upazilas)	2,715,074	1,114,951	341,680	773,271

Over 0.6 million HHs of the PRIME (North) and about 0.17 million HHs of the PRIME (South) were affected by monga or monga-like conditions and they were not involved in any microfinance programme. Nearly 0.77 million extreme poor HHs of were found eligible for PRIME interventions. Considering accessibility to the areas and PO branch capacity, the PRIME aimed to organise approximately 0.51 million ultra-poor HHs, of which 0.35 million were from the 35 upazilas in Rangpur division and 0.16 million HHs in the 15 upazilas of south-western and north-eastern regions.

Overall socio-economic characteristics of PRIME (North) HHs at the start of PRIME

The baseline census depicted the following special characteristics of the monga-affected northern region [PRIME (North)]:

- Nearly 50% of the total population of the north-western (greater Rangpur) region was monga-affected. The percentage of households affected by Monga was the highest in Kurigram (54%) followed by Rangpur (53%), Lalmonirhat (49%), Nilphamari (43%) and Gaibandha (43%).
- In view of the percentage of households with the probability of consuming less than three meals a day, the most vulnerable districts in order of magnitude are: Kurigram (75%), Rangpur (70%), Nilphamari (69%), Gaibandha (51%) and Lalmonirhat (35%).
- Nearly 79% of the monga-affected populations were day-labourers while 22% were on-farm and 1% off-farm workers (Note: these figures are not mutually exclusive, meaning some of these people were involved in more than one category of livelihood).
- Nearly 87% of monga-affected households have either no or less than 10 decimals of land.
- Coping strategies of monga-affected people are dependent on internal migration (43%), external support (36%), asset sale (15%), advance labour sale (5%) and advance crop sale (1%).

Overall socio-economic characteristics of PRIME (South) HHs at the start of PRIME

The baseline census depicted the following special characteristics of the monga-affected southern region [PRIME (South)]:

- Nearly 31% of the total population of the PRIME (South) upazilas were affected by Monga-like

conditions. Nearly 30% of these ultra-poor (UP) HHs were already linked with different microfinance organisations.

- The percentage of households affected by Monga-like conditions was the highest in Dacope (44%) followed by Shyamnagar (36%), Kaliganj (34%), Koyra (32%), Golachipa (29%) and Kalapara (16%).

- Nearly 84% HHs were male-headed and over 53% of them were dependent on wage work, 23% self-employed in non-agricultural activities, 9% self-employed in agricultural activities and 12% would seek employment in distant places away from home (Note: these figures are not mutually exclusive).
- The average land holding was 13.6 decimal, non-land assets worth Tk 30,091, 22% of which comes from livestock.
- Their average annual income was Tk 49,740, 7.77% of which would come from livestock assets. The average expenditure was Tk 52,121, of which food claimed 76%.
- The percentage of households with a probability of consuming less than three meals a day during the lean period was approximately 45%. However, it varied significantly with seasonal change. The Average length of the lean period was 5-6 months (from late-June to early-November).
- Occupationally, one-third of households in the South worked as agricultural labourers while in the North, about 50 percent of the households are engaged in farming activities.

PRIME INTERVENTIONS

The PRIME offered a package of financial and non–financial services (Figure 5). The detailed characteristics of PRIME components are shown in Table 3. It is noteworthy that these interventions were not started from the onset of the PRIME; rather they evolved in response to the need of the extreme-poor HHs over the course of the programme (Figure 6).

FIGURE 05 PRIME components that evolved over the course of the programme.

PRIME SERVICES

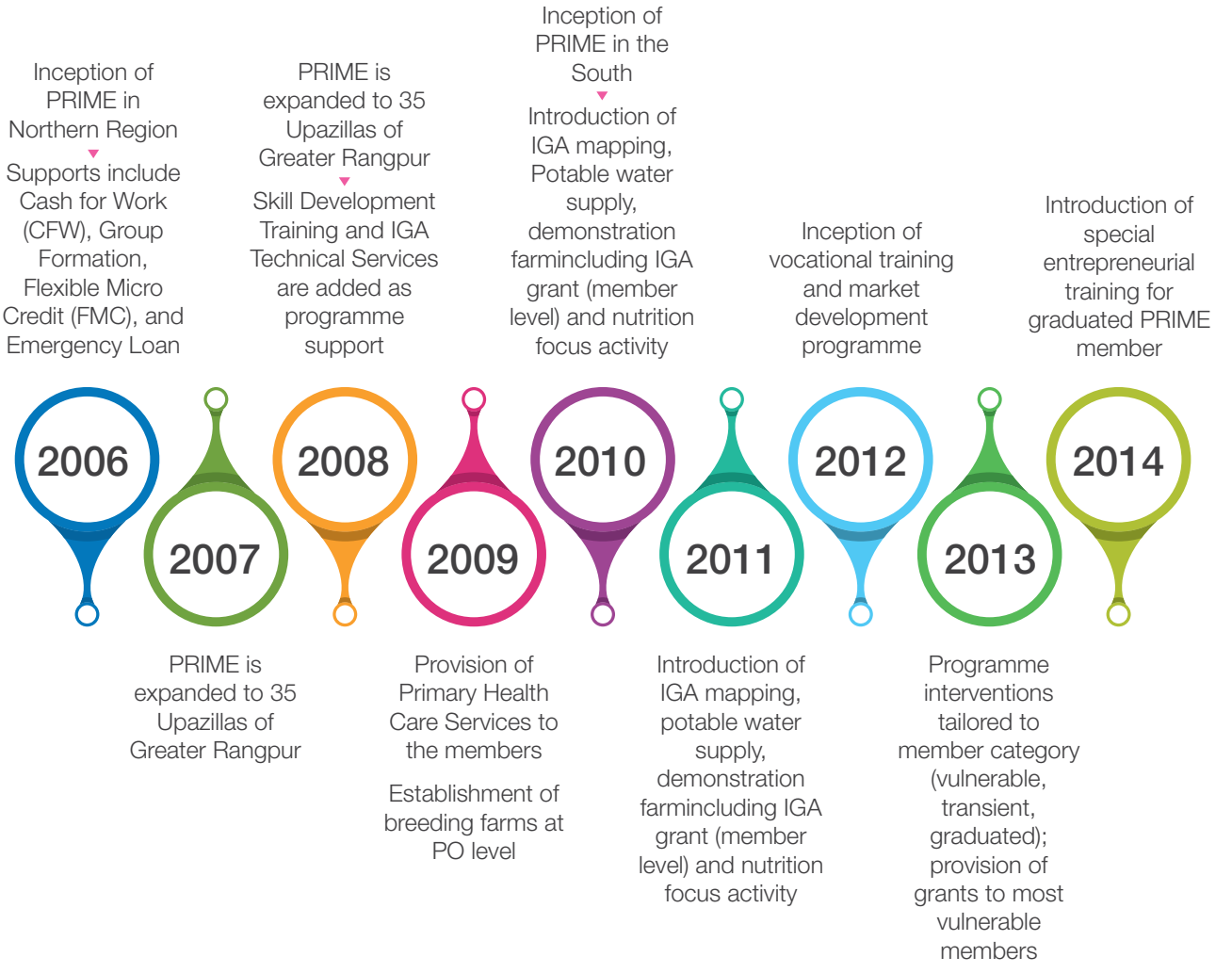
NON-FINANCIAL SERVICES					FINANCIAL SERVICES		
Group Formation	Skill & Vocational training	Technical services	Primary health care and nutrition services	Disaster manage-ment services	Flexible Microcredit	Emergency loan	Conditional Grant

Table 3. Characteristics of different PRIME components

COMPONENT	CHARACTERISTICS
Group Formation	An informal social group, guided by rules and principles, with 15-25 PRIME participants. It mediated communication between POs and participants.
Flexible Microcredit (FMC)	Flexible microcredit (FMC) programme, especially designed for the extreme-poor, was one of the major interventions under the PRIME. Under this component, the ultra-poor could borrow money from the MFIs with flexible loan conditions such as: flexibility in loan size or repayment mode as well as flexibility in savings etc. The service charge was maximum 20% at a reducing balance rate, which was lower than the conventional microcredit programmes in place. Although the repayment period was one year, borrowers could decide the number of instalments for their convenience. No membership fee was required. With the use of the FMC, PRIME participants undertook different farming and/or off-farm IGAs.
Emergency Loan (EL)	Emergency loan (EL), a soft loan product, was designed to support the ultra-poor families, severely affected by monga or monga-like conditions. It was accessible to all extreme-poor households having to cope with any natural, health or other emergency situations, and was provided in addition to the FMC.
Skill development and vocational training	PRIME participants were provided with demand-driven skill development training for improving their skills in diverse farming and off-farm activities. Technical and vocational training in various trades were provided to members of the ultra-poor families with a view to creating year-round income opportunities for both wage employment and self-employment.
Technical services	Participants were provided with appropriate technologies for IGA implementation such as crop production, rearing of livestock and other farming IGAs. In this respect, IGA Implementation Officers and Programme Assistants (Technical) of the POs provided the required technical assistance during their regular visits. As part of the technical assistance, free vegetable seeds, vaccines and de-worming drugs, as well as grant for establishment of homestead model vegetable farms and mini-plants of vermi-compost fertilizer were provided over all the three farming seasons -- Robi, Kharip-1, and Kharip-2. Proven farming technologies were demonstrated among vulnerable PRIME members through the establishment of model IGAs. IGA-mapping was done to identify sustainable IGAs in salinity-affected lands in the south-western region. Year-round technical assistance for implementation of farming and off-farm IGAs was provided through field-level technical staff.
Primary healthcare services	The PRIME health service operated at three tiers, focusing mostly on lactating/pregnant mothers and under-5 children, and providing mostly preventive healthcare and nutritional support. Community Health Promoters (CHPs) worked at the 1st tier and provided door-step primary healthcare services to improve health, hygiene, nutrition, sanitation and behavioural change communication (BCC) of the PRIME participants. At the 2nd tier, Palli Paramedics (PPs) provided satellite clinic services that included limited curative care to PRIME participants, antenatal and postnatal care, family planning counselling, distribution of deworming tablets and selected drugs, vitamins and mineral supplements, especially for pregnant and lactating mothers, children and elderly members of the PRIME households. Counselling, follow-up and referral services were also provided. At the 3rd tier, complicated/serious patients were referred to government institutions, NGOs or other private health service providers at union, upazila or district levels.
Disaster management	The PRIME had an efficient disaster management system to safeguard the ultra-¬poor from unexpected natural hazards with emphasis on Aila and Sidr-hit areas, create temporary wage employment as a regular source of income, help sustain the community infrastructures, and ensure supply of fresh drinking water, especially in coastal areas in post-disaster periods.
Conditional grant	Programme interventions were tailored to member categories (vulnerable, transient, and graduated) and there were provisions for grants for the most vulnerable members.

FIGURE 06

PRIME PATHWAY OF INTERVENTIONS



PARTNER ORGANIZATIONS (POs) OF PRIME

Thirteen POs for the PRIME (North) and 14 POs for the PRIME (South) were selected for the programme implementation on the basis of their the commitment to and working experience with the ultra-poor, analysis of the track record with the PKSF, institutional capacity to absorb shocks and deliver flexible financial services, training and other support to the ultra-poor. Three POs were operating in both the regions and thus, the total number of PRIME-implementing POs was 24. They delivered services through a total of 309 branches – 202 in the PRIME (North) and 107 in the PRIME (South). Each branch operated through a team of managers, accountants, 2-5 field organizers, a PA (Tech), and 2-3 CHPs. Each PO also had a Palli Paramedic for two branches, an IGA Implementation Officer for each branch and one or two MIS Officer(s) for each PO.

PRIME MEMBER COVERAGE TARGET

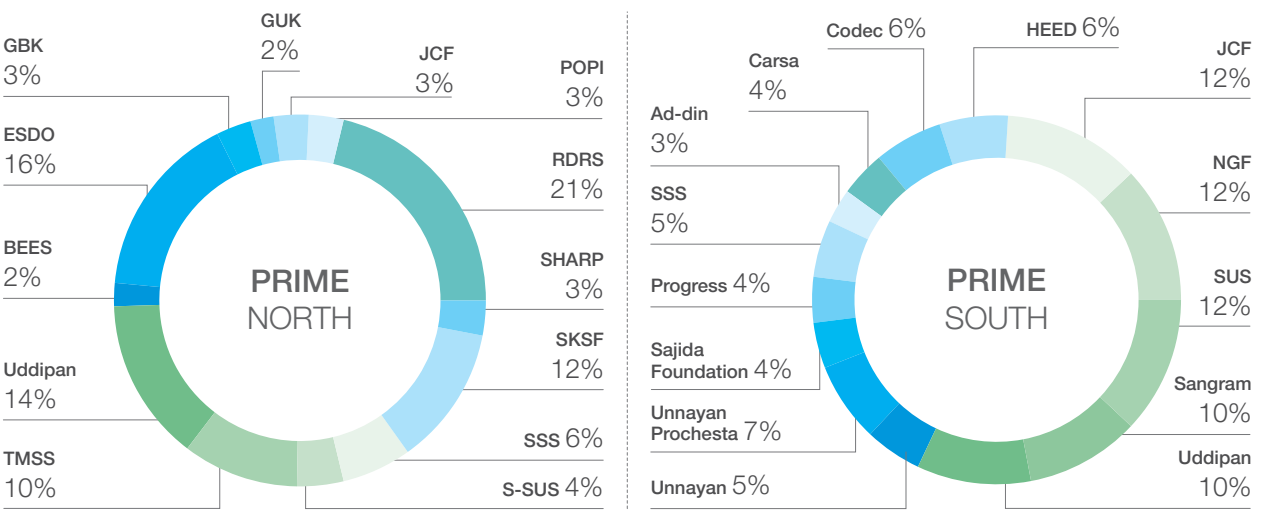
As mentioned earlier, a total of 0.77 million HHs were found eligible for the PRIME interventions. The PRIME planned to cover a total of 0.51 million ultra-poor households -- 0.35 million in PRIME (North) and 0.16 million in PRIME (South). By June 2016, the PRIME organized a total of 0.512 million ultra-poor households -- 0.350 million in PRIME (North) and 0.162 million in PRIME (South).The detailed geographical coverage of PRIME participant distribution is given in Table 4.

Table 4. Targeted ultra-poor participants in PRIME (North) and PRIME (South) as of June 2016

Region	Division	No. of districts	No. of upazilas	Targeted ultra-poor HHs (million)	Organized ultra-poor HHs (million)
North-western PRIME (North)	Rangpur	5	35	0.35	0.350
South-western PRIME (South)	Khulna	2	6	o.16	0.162
	Barisal	3	6		
South-eastern PRIME (South)	Dhaka	1	3		
Total	**4**	**11**	**50**	**0.51**	**0.512**

Distribution of target of HHs among the PRIME POs in the North and the South is shown in Figure 7.

FIGURE 07 Percentage of PRIME participants shared by POs in North and South



OPERATIONAL SUPPORT TO PRIME POS

The PRIME-implementing POs were supported with incentives ranging from operational subsidy to technical assistance in a variety of areas. The PRIME supported 34 MIS (Management Information System) and 51 IGA implementation officers in 24 POs, providing monthly salaries to 334 PA (Tech), 155 Palli Paramedics, 671 CHPs and 60 Field Organisers for 309 PRIME branches. Moreover, PO staff were trained in different aspects of branch management, microcredit operation, income generating activities, primary healthcare etc. In FY 2015-16, the PRIME provided a total of Tk 144.01 million for covering operational expenses of the 24 POs. As of June 2016, a total of 2,747 PO staff were trained under the PRIME programme. They also received Tk 15.90 million in FY 2015-16 for providing training to PRIME participants. In order to deliver quality inputs for IGA implementation by the participants, the PRIME supported some of its POs in establishing goat/sheep breeding farms, poultry hatcheries and nurseries.

FINANCIAL SERVICES FOR PRIME PARTICIPANTS

The number of Flexible Microcredit (FMC) borrowers under the PRIME over the years of programme intervention is shown in Figure 8. In June 2016, the number of active borrowers stood at 284,654, which is 56% of the total participants. The number of FMC disbursements by the PRIME POs from 2008 to 2016 has been illustrated in Figure 9.

The loan disbursement to ultra-poor PRIME HHs during FY 2015-16 was about Tk 6,903 million (Figure 10) of which Tk 3,299 million was disbursed as FMC and Tk 3,604 million as other loans such as rural microcredit (Jagoron), agricultural loan (Sufolon) and micro-enterprise (Agrosor). As for the repayment schedules of this loan, 71% paid instalments weekly, 19% monthly and 10% in a single instalment (Figure 11). The average FMC borrowing grew steadily from an average of Tk 3,996 in 2008 to Tk 19,019 in 2016 with an annual growth rate of Tk 1,652 (r2 = 0.919; Figure 12). This indicates that with the increase in membership, maturity credit worthiness of PRIME participants also rose. This was also reflected in the progression in amount of loan outstanding during 2008-2016 (Figure 13). As of June 2016, the FMC outstanding increased at the rate of around Tk 317 million per year (r2 = 0.812; Figure 14).

FIGURE 08 Number of members and borrowers over the years of PRIME interventions

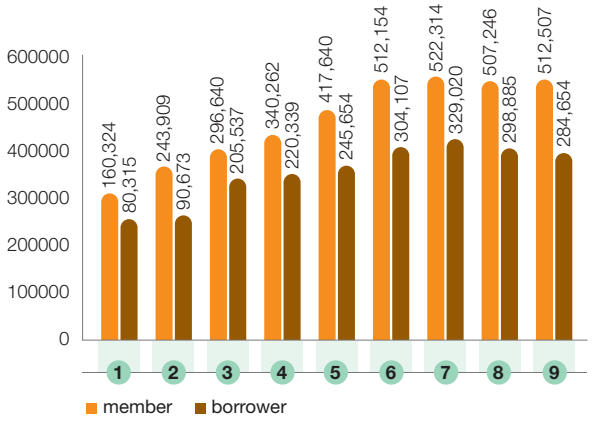


FIGURE 09 Number of flexible microcredit (FMC) disbursements over the years of PRIME interventions

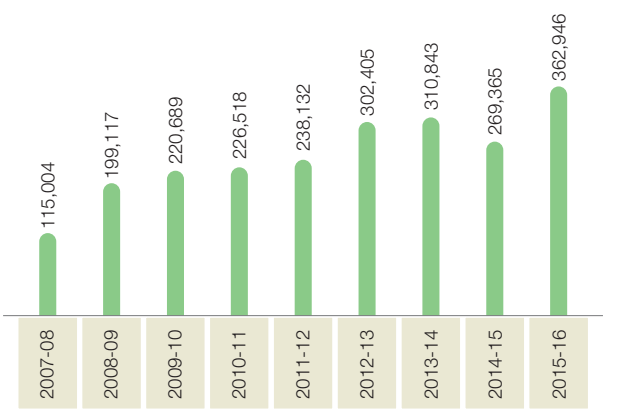


FIGURE 10 Amount of flexible microcredit (FMC) disbursement (million Tk) over the years of PRIME interventions

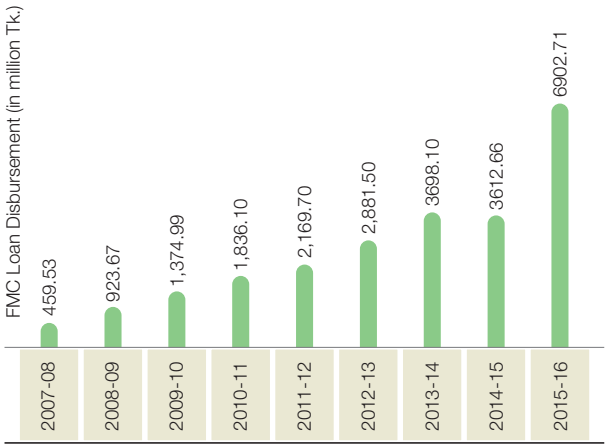


FIGURE 11

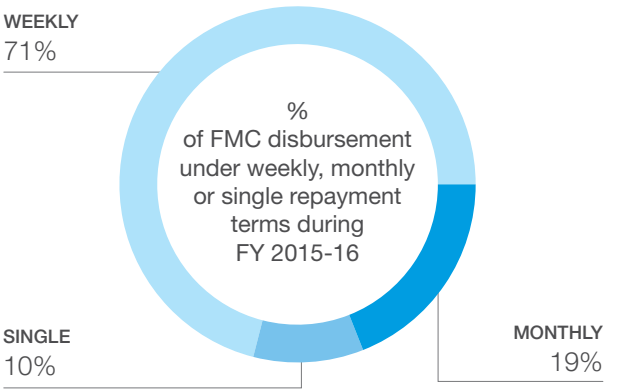


FIGURE 12 Growth of average loan size (FMC) over the years of PRIME interventions

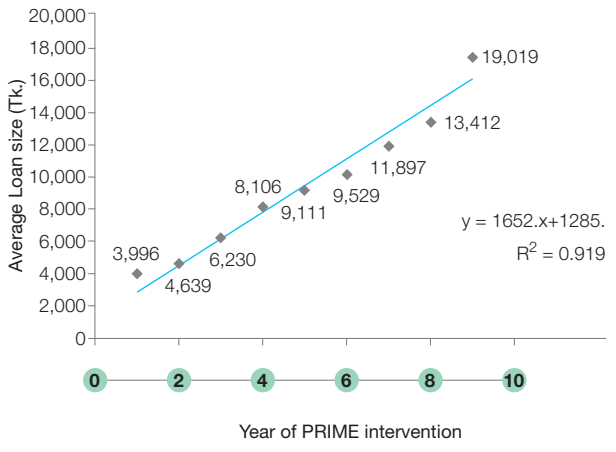


FIGURE 13 Growth of loan (FMC) outstanding over the years of PRIME interventions

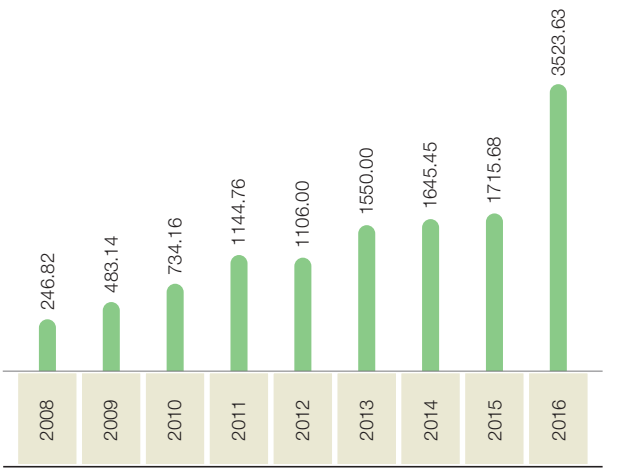
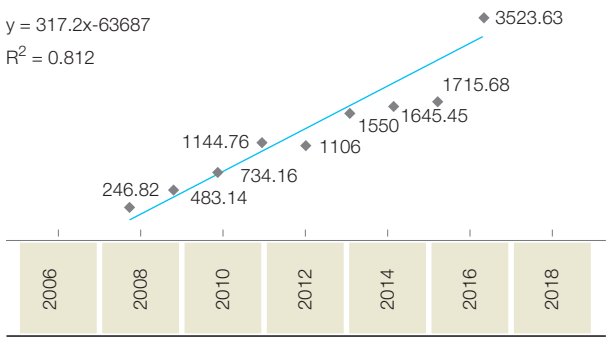


FIGURE 14 Growth of Flexible Microcredit (FMC) outstanding at the member level over the years of PRIME implementation



EMERGENCY LOAN

Emergency loan (EL), a soft loan product, was designed to support distressed ultra-poor families severely affected by monga or monga-like situation. It was accessible to all monga-prone households coping with any natural, health or other emergencies, and was provided in addition to the FMC. The number of PRIME participants receiving the EL, the amounts and the average EL size are shown in Figure 15, 16 and 17.

FIGURE 15 Number of PRIME participants receiving EL during PRIME interventions

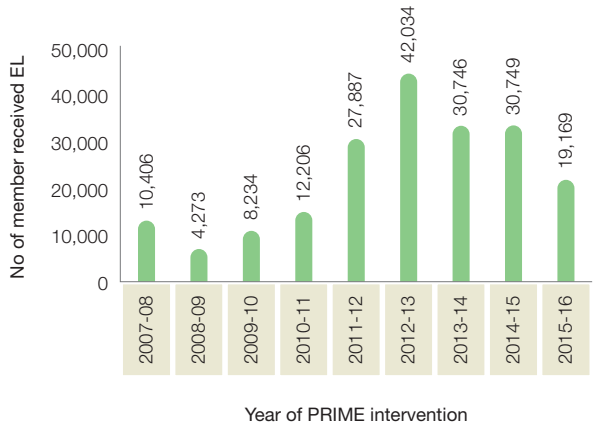


FIGURE 16 Amounts of EL disbursed to PRIME participants during PRIME interventions

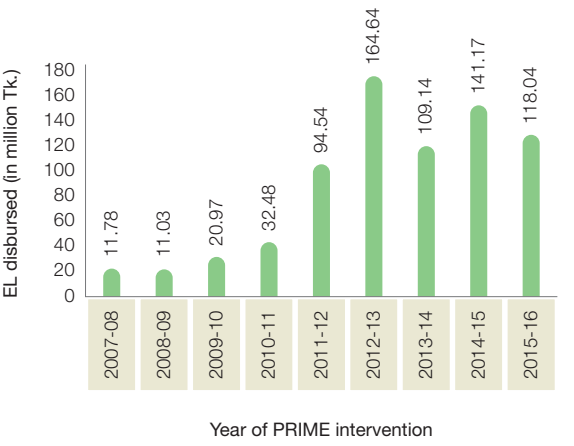


FIGURE 17 Average EL size borrowed by PRIME participants during PRIME interventions

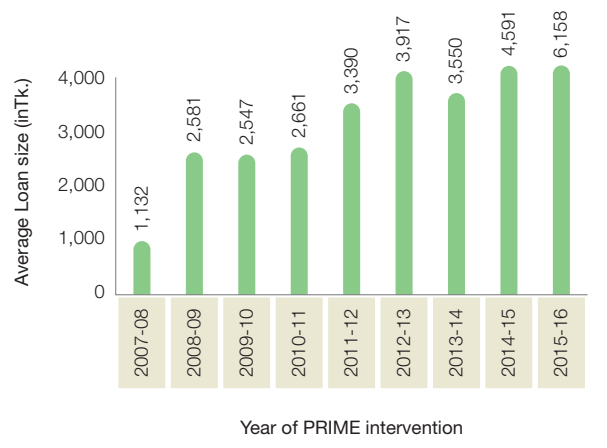
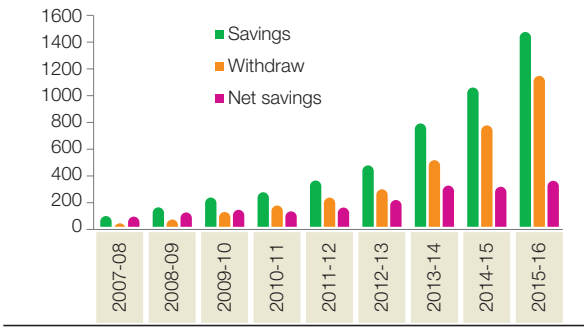


FIGURE 18 Year-wise savings deposit, withdrawal and net savings of PRIME participants



FLEXIBLE SAVINGS BY PRIME PARTICIPANTS

Saving was an integral part of the PRIME's FMC. Unlike conventional microcredit programmes, members could deposit any amount of money and not necessarily on a weekly basis. Members could also withdraw their savings at any point of time. Figure 18 presents the year-wise total cumulative savings, cumulative withdrawals and cumulative net savings of the PRIME members. As of June 2016, cumulative savings of the PRIME participants stood at around Tk 4,592 million while the cumulative withdrawal was Tk 3,056 million, leaving a cumulative net savings of around Tk 1,537 million. The average individual cumulative savings during 2016 was Tk 3,223 (Figure 19). The annual growth in individual-level savings was Tk 315 per year (r2 = 0.91; Figure 19). Furthermore, the percentage of saving withdrawals relating to saving deposits decreased from 87% in FY 2007-08 to 33% in FY 2015-16 (Figure 20) at an annual rate of -6.35% (r2 = 0.95). This indicates that the PRIME participants were saving more than what they were withdrawing.

FIGURE 19 Growth in average savings of PRIME participants

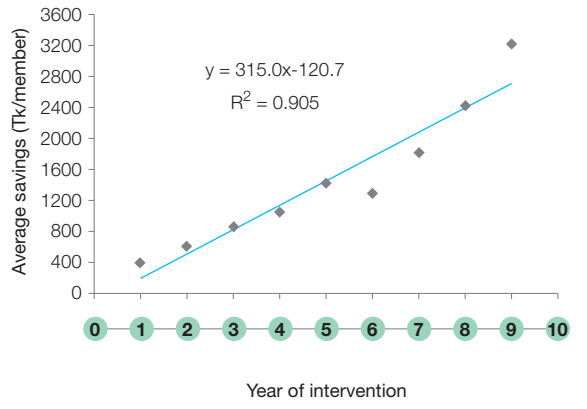
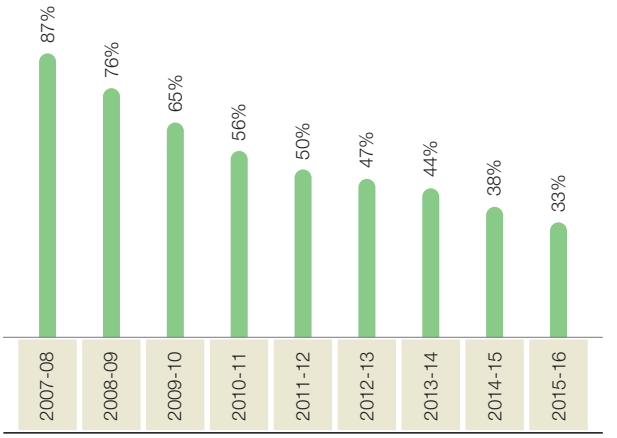


FIGURE 20 Percentage (%) of savings withdrawn by PRIME participants



LIVELIHOOD ACTIVITIES FOR PRIME PARTICIPANTS

The PRIME borrowers established different IGAs, which can be divided into three major categories – crop, livestock and off-farm. The number of IGAs implemented by PRIME members during the PRIME period is shown in Figure 21. Over 42% of the total IGAs implemented were livestock-related, 32% off-farm-related and the rest were crop-related (Figure 22).

FIGURE 21 Number of livestock, crop, off-farm IGAs of PRIME members

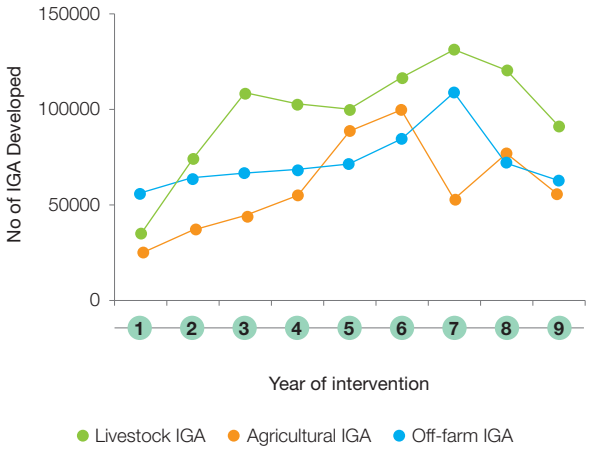
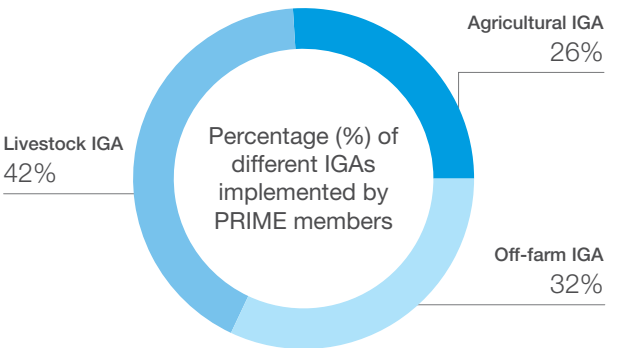


FIGURE 22



Crop-related IGAs included specific cropping-patterns like rice and other cash crop farming, commercial production of vegetables and fruits, nursery, homestead gardening, etc. However, asset building through livestock rearing was a major trend among the extreme poor under the PRIME. Livestock-related IGAs included goat and sheep rearing, beef fattening, heifer and dairy cattle rearing, commercial broiler and layer chicken farming, duck farming, etc. Off-farm IGAs included small business, tailoring, mat-making, rickshaw/van pulling, production of bamboo or cane crafts, etc. Participants received technical and market linkage support from PRIME technical staff (PA tech, IGA implementation officer) especially for on-farm IGAs. Selected members also received skill development training on different on-farm and off-farm IGAs.

Aerial view of Gabura, a salinity-hit coastal village under Satkhira's Shyamnagar upazila

TRAINING AND TECHNICAL ASSISTANCE FOR BETTER IGA IMPLEMENTATION

SKILL DEVELOPMENT TRAINING

Skill development through training improves participants' capacity to better implement their on-farm and off-farm IGAs and improve their economic output. The PRIME provided skill development training to participants since its inception, the details of which are presented in Figure 23. During 2015-16, a total of 5,347 participants received training on different IGAs/trades, of which 36% were in crop, 56% in livestock and 8% in off-farm-related training (Figure 24). Skill development training is generally conducted in a model participant's farm by the local Upazila-level agriculture, livestock or fisheries officials in addition to the technical staff of the POs. Depending on the types of trades, training durations ranged from 3 to 30 days. In some trades like tailoring and mat-making, participants use funds received during training to buy sewing machines and other equipment.

FIGURE 23 Skill development training of participants in livestock, crop, off-farm IGAs during PRIME interventions

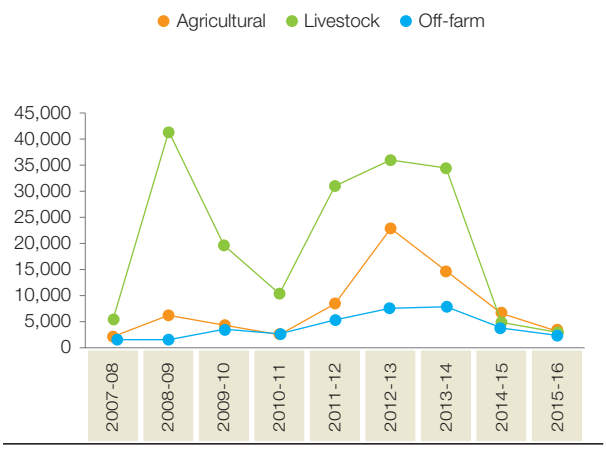
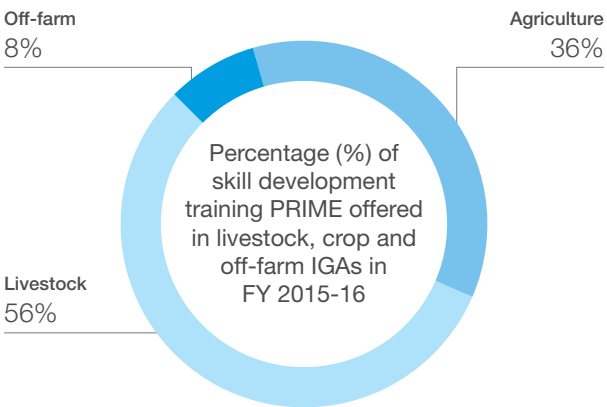


FIGURE 24



VOCATIONAL TRAINING

With the objective of creating wage-based employment and self-employment, the PRIME provided vocational training to its eligible members or their household members. Hands-on residential trainings were provided for 30-180 days, depending on the types of trade. Different vocational trainings including mobile phone servicing, electrical house-wiring, repairing electrical motors, power tillers, irrigation pumps and motorcycles, solar mechanics, tailoring, knitwear manufacturing, etc were provided through specialised vocational training institutions like Bangla-German Sampriti, Muslim Aid Institute of Technology, Adams, Safayat Hosiery Ltd., ICL Ltd., etc. Up to June 2016, 1,766 PRIME

household members were trained in different vocational trades and 90% of them became either self-employed or wage-employed. Their average monthly income increased by 125% from the pre-training stage.

TECHNICAL SERVICES

The PRIME offered different technical services through its field-level technical staff (PA Tech and IGA Implementation Officers) in collaboration with local level government and private service providers. There were 51 IGA-Implementation Officers and 334 Programme Assistant (Technical) working with the 24 PRIME-implementing POs and they regularly visited PRIME members and extend necessary technical assistance.

- **Vegetable seed distribution:** For establishing homestead vegetable garden in each of its member households, the PRIME distributed vegetable seeds for Rabi (Nov–Feb), Kharif-1 (Mar-Jun) and Kharif-2 (Jul–Oct) seasons. During FY 2015-16, nearly 417,150 PRIME members received vegetable seeds for year-round homestead vegetable cultivation. This significantly improved household vegetable and micro-nutrient availability among the PRIME members, especially in the salinity-affected households of the PRIME (South).

- **Model homestead gardening:** The homestead vegetable production model of Bangladesh Agricultural Research Institute (BARI) was established in the homestead areas of selected PRIME members having adequate homestead space. In this model, vegetables and fruits were cultivated in three strata: vegetable cultivation in bed (sunny area), creeping vegetable in trellis and fruit trees in the peripheries. Up to June 2016, nearly 45,526 model homestead vegetable gardens were established in the programme areas. The PRIME also distributed nearly 8,000 oil-palm saplings among selected PRIME members of Gaibandha and Rangpur districts.

- **Cross visit to successful farms:** Cross-visit to successful farms were organized for selected PRIME members and staff. This contributed to building confidence, technology dissemination and gathering market information among them. As of June 2016, about 18,460 PRIME members participated in such cross-visit programmes.

- **Vaccination and deworming of livestock:** The PRIME organised vaccination and deworming camps against FMD (for cattle), PPR (for goat/sheep), RDV and BCRDV (for chicken) and duck plague for ducks. Broad spectrum deworming tablets too were provided for cattle and goat/sheep twice a year. Up to June 2016, 5,881 vaccination camps were organised FMD, 9,514 against Anthrax, 10,299 against PPR, 13,503 against RDV/BCRDV and 4,031 against Duck Plague. The camps covered nearly 7.45 million livestock and poultry heads. This greatly reduced the mortality rate among livestock and poultry, improved their productivity, and thus, increased the income of their owners.

- **Establishment of breeding farms:** Learning from the experience of the LIFT programme, the PRIME (North) established four goat-breeding and two sheep-breeding farms. Using these farms as breeding and training centres, the PRIME established small-scale goat/sheep farms among its members across the PRIME working areas. Field-level technical staff ensured comfortable (perch system) housing, feeding, breeding and veterinary care needed for a member-level farm, usually consisted of at least four does/ewes and their progenies.

- **IGA mapping and establishment of model farms in PRIME (South):** The PRIME used an IGA matrix (Table 5) to identify appropriate IGAs for the area. This IGA mapping was based on two major criteria -- a) appropriateness of an IGA for the area concerned, and b) its economic potential to sustain livelihood. Through field surveys, appropriateness of an IGA was estimated on the basis of its growth potential, input availability, suitability/adaptability, technical

simplicity, replication potential, environmental benefits and health/nutritional benefits. Economic potential, on the other hand, was also estimated from its income potential, market opportunity, and poverty reduction potential. Up to June 2016, PRIME (south) members established 1,991 broiler and layer chicken units, 6,373 units of goat and sheep rearing in perch system, 2,909 units of beef fattening, 412 dairy units, 836 units of mono-sex tilapia culture, 854 crab fattening units, 269 eel fish culture units, 1,085 HYV grass units, 256 units of duck rearing, 1,090 units of commercial vegetables cultivation, 139 units of vegetable cultivation in bags, 245 units of Sorjan system of vegetable cultivation, 106 nursery units and 1,244 buck centres.

Table 5: IGA matrix for selecting appropriate IGAs in PRIME (South)

Sl. No	Parameter	Relative weight (%)	IGA (say broiler rearing)
A. Appropriateness of IGA of the areas concerned			
1.	Growth	10	80
2.	Input availability	15	75
3.	Suitability/adaptability of the areas concerned	15	75
4.	Simplicity of implementation	5	55
5.	Replicability	5	80
6.	Environmental benefit	5	75
7.	Health/Nutritional benefit	5	70
B. Economic potentiality of the IGA			
8.	Income potentiality	25	80
9.	Marketing opportunity	10	80
10.	Poverty reduction	5	75
	Total marks	**100**	**74.5**

ESTABLISHMENT OF VERMI-COMPOST PLANTS

Vermi-compost is the product or process of composting using various worms, usually red wigglers, white worms, and other earthworms to create a heterogeneous mixture of decomposing vegetable, dung or food waste, bedding materials, and vermicast. Vermicast, also called worm castings, worm humus or worm manure, is the end-product of the breakdown of organic matter by an earthworm.

One of the LIFT initiatives on vermi-compost showed that this technology can substantially improve farm productivity, protect environmental degradation and improve soil health at a reduced cost. All IGA-Implementation Officers of the PRIME received hands-on vermi-compost production and utilization training and were given the responsibility of establishing at least 25 vermi-compost plants under each of the 309 PRIME branches. Each unit of vermi-compost plant received a container (usually a cement ring or a cattle manger) and 2,000 special type of earthworms (usually Red Wigglers) as a grant. Up to June 2016, over 32,000 mini-vermi-compost plants were established by the member households across the PRIME working areas.

At present, these plants are producing over 15,000 tonnes of vermi-compost annually and are the potential source of household income. In view of its economic benefits and its contribution to reducing use of chemical fertilizer with improved crop yield at a reduced cost, this technology is now rapidly popular among the members and non-members alike in the PRIME areas.

FACING CALAMITIES AND DISASTERS

The PRIME had a built-in disaster management system with a potential disaster management fund to cope with the seasonal vulnerability as well as natural or other calamities. The programme successfully managed to provide effective interventions in times of emergencies as outlined in Table 6. Since its inception, around 8.58 million person-days of employment were created through 'cash for work' for 0.23 million members at a cost of Tk 714 million (Table 6). As mentioned earlier, PRIME ultra-poor participants in greater Rangpur region used to face seasonal hardships (Monga) from September to November every year and again between March and April. To address this issue, 'cash for work (CFW)' interventions were made in FY 2006-07 and FY 2007-08. The CFW activities included repairing/ construction of connecting roads, raising of plinths and homestead areas of ultra-poor participants, repairing/maintenance of premises of educational/ religious institutions, excavating/re-excavating ponds, building/repairing dikes, etc.

Although the conventional PRIME (South) programme began toward the end of FY 2010-11, the PRIME started its disaster management activities much earlier. For example, in FY 2008-09 and FY 2009-10, two short-term special programmes were launched to minimize the sufferings of the cyclone Sidr and Aila-affected households through emergency assistance. In FY 2008-09, around 1.77 million person-days of employment were created for 38,551 participants through CFW interventions at a cost of Tk 213 million in 11 severely affected upazilas of 5 Sidr-hit districts (Barguna, Pirojpur, Patuakhali, Jhalakathi and Bagerhat). The programme over the next four years created 1.16 million person-days of wage employment that helped a total of 77,802 participants in the areas to cope with the shocks of Aila and Sidr (Table 6).

Also, during FY 2009-10 and FY 2010-11, nearly 140,000 and 120,000 litres of safe drinking water were supplied daily to the Aila-affected distressed people of Satkhira's Shyamnagar upazila for 160 and 150 days respectively (Table 6). During 2010-11, 15 saline water-contaminated ponds were treated in the same upazila. These ponds are now being used as fresh water sources for the Aila-affected locals.

The then PKSF Managing Director Mezbahuddin Ahmed along with Dr Md Jashim Uddin, now Deputy Managing Director, inspecting potable water distribution among cyclone Aila-hit people of Satkhira in 2009. Right, people in a long queue waiting to collect drinking water from a PKSF-run distribution point.

Table 6: PRIME interventions towards mitigation of emergency and/or disaster shocks among PRIME participants

Year	Expenditure (mill. Tk)	No. of member	No. of days	Total person-days	Wage rate (Taka)	Area
2006-2007	55.65	30,000	45	1,350,000	60	All Upazilas of Lalmonirhat district
2007-2008	246.49	86,000	50	4,300,000	70	23 Upazilas of Rangpur, Nilphamari, Kurigram and Gaibandha districts
2008-2009	213.17	38,551	46	1,773,346	125	11 severely SIDR-affected Upazilas of Barguna, Patuakhali, Pirojpur, Jhalakhathi and Bagerhat
2009-2010	36.6	4,000	60	240,000	150	AILA-hit Shyamnagar upazila of Satkhira district.
2009-2010	Daily supply of average 1,40,000 litres of drinking water to AILA-affected participants for 160 days					AILA-hit Shyamnagar upazila of Satkhira district.
2010-2011 PRIME (South)	• Daily supply of average 1,20,000 litres of drinking water to AILA-affected participants for 150 days • Treatment of 15 saline contaminated ponds in Shyamnagar area					AILA-affected Shyamnagar upazila of Satkhira district.
2011-12	52.13	40,206	30	294,000	175	Kaliganj and Shyamnagar upazilas of Satkhira district, Dacope and Koyra upazilas of Khulna district, Golachipa and Kalapara of Patuakhali district, Ulipur upazila of Kurigram and Fulchhari upazila of Gaibandha district.
2012-13	60.49	11,342	30	340,260	175	Shyamnagar, Assasuni and Tala upazilas of Satkhira district, Dacope and Koyra upazilas of Khulna district, Golachipa, Kolapara and Dashmina upazilas of Patuakhali district, Hizla and Mehendiganj upazilas of Barisal district, Islampur, Melandoho and Dewanganj of Jamalpur district, Saghata of Gaibandha district and Chilmari, Roumari upazilas of Kurigram district.
2013-16	49.81	22,254	30	278,998	175	Shyamnagar, Assasuni and Tala upazilas of Satkhira district, Dacope and Koyra upazilas of Khulna district, Golachipa and Kolapara upazilas of Patuakhali district, Hizla and Mehendiganj upazilas of Barisal district, Islampur, Melandoho and Dewanganj of Jamalpur district, Aamtoli of Barguna district and Ulipur upazilas of Kurigram district.

PRIMARY HEALTHCARE SERVICES

The PRIME started its primary healthcare support intervention in 2008 through its field-level health staff. With the changing field-level health service demands and for streamlining it with the National Health Service, the PRIME adopted a structured primary healthcare model since FY 2010-11. PRIME health services were provided at three tiers. At the 1st, more than 671 trained Community Health Promoters (CHPs) provided primary

healthcare services to the PRIME members at their door step through counselling and awareness building on hygiene, nutrition, sanitation and behavioural change in communication, and door-to-door visit for antenatal (ANC) and postnatal (PNC) maternal care services.

At the 2nd tier, 155 Palli Paramedics (PPs) would provide limited clinical services through satellite clinics for regular patients and the ANC and PNC services for

the pregnant and lactating mothers. Up to June 2016, a total of 66,744 satellite clinics were organised, where 2.56 million people (both from PRIME and non-PRIME households) were served. These clinics also provided family planning counselling to, and distributed de-worming tablets, selected drugs, vitamins and minerals especially among pregnant and lactating mothers, children and elderly members of the PRIME households. Till June 2016, medicines worth about Tk 20 million were distributed among the PRIME households.

At the third tier, complicated patients would be referred to upazila/district-level government or other health service providing institutions.

In addition to satellite clinics, health camps too were organised under the PRIME primary healthcare programme. Up to June 2016, about 2,804 general health camps, 236 specialised health camps and 114 eye camps were organised under the PRIME. During the project period, cataract operations were conducted free of cost to 2,000 patients in remote PRIME areas. To determine gestational or other forms of diabetes of the PRIME household members, 30 glucometers with strips were distributed among as many remote PRIME branches. PPs would use the glucometer in the satellite clinics to conduct diabetes check of patients and recommend necessary referral. Status of malnutrition among under-five children of the PRIME households was assessed through measuring their height-for-age, weight-for-age and mid-upper-arm circumference (MUAC). Each PP and CHP (850 in total) received MUAC-tape, weighing balance and measuring tape to collect the information.

AWARENESS-BUILDING EFFORTS

Court yard session, home visits and satellite clinics would serve as awareness-building activities of the PRIME. A CHP would start her day with a courtyard session attended by 15-20 members. She delivered different primary healthcare-related information using a flipchart. She then would start home visits to collect information and advise people on specific health issues, and to build awareness of family members, especially male and the elders, on use of pure drinking water, quality of food intake, better sanitation and cleanliness, importance of antenatal, postnatal care for mothers etc. In case of behaviour change, 97% of the members were aware of different health-related practices like washing

hands before eating and after using toilet, drinking safe water, maintaining sanitation and hygiene, and significance of deworming, breast feeding, maternal and child healthcare.

WATER AND SANITATION

Nearly all (99%) PRIME HHs in PRIME (North) now have access to safe drinking water (Table 7). Though similar to that of the national average (96%), the PRIME (South) HHs still had problems with safe drinking water, mostly because of salinity. Use of sanitary latrines is still low both in the PRIME-North (53%) and PRIME-South (46%), though the rates are still much higher than the national average (32%).

Table 7: Proportion of different healthcare parameters among PRIME members compared to that of national average (all values are in percentage of HHs/mother)

Sl no.	Characteristics	National Average (BDHS 2014)[1]	PRIME (North) Average (n = 2160)[2]	PRIME (South) Average (n = 1200)[2]	PRIME Average (n = 3306)[2]
1	Use of safe drinking water	96	99	96	99
2	Use of sanitary latrines	32	53	46	49
3	At least 4-ANC to pregnant mothers	31	97	92	95
4	At least 2-PNC to lactating mothers	36	95	86	91
5	Vaccination against tetanus toxoid (TT)	90	98	99	86
6	Received Fe-Folic acid supplement during pregnancy	62	82	71	78
7	Postpartum Vitamin-A supplementation	42	86	74	82
8	Hospital delivery of pregnant women	29	26	19	24
9	Home delivery by trained birth attendants	43	71	71	71
10	Home delivery without trained attendants	37	3	9	5
11	Exclusive breast feeding	55	95	93	95

[1]*Bangladesh Demography Health Survey (BDHS) 2014*
[2]*Source : PRIME RBM 2016*

MATERNAL AND NEWBORN HEALTH

ANTENATAL CARE

As per the World Health Organization (WHO), there should be at least four antenatal care (ANC) visits for a pregnant woman by a medically trained person. Under the PRIME, over 90% of pregnant mothers received 4 ANC visits compared to only 31% for the National level[28] mothers (See Table 7). Nearly 90% of the pregnant women among the PRIME members were aware about the extra food they needed during pregnancy, compared to the national level average of 86%. Nearly all PRIME pregnant women were vaccinated against the neonatal tetanus, whereas the rate is 90% at the national level (Table 7).

PLACE OF DELIVERY AND ASSISTANCE DURING DELIVERY

As the PRIME worked in remote rural areas, the proportion of hospital delivery among pregnant women was less than that at the National level (29%) and this proportion is much less in PRIME South (19%) than the PRIME North (26%) (Table 7). However, the percentage of pregnant women that received delivery assistance by trained birth attendants was much higher in the PRIME (71%) than the National level1 (43%) (Table 7).

POSTNATAL CHECK-UP FOR MOTHER AND CHILD

Postnatal care is crucial for safe motherhood, neonatal health and their survivability. Over 90% PRIME neonate mothers received postnatal care within 42 days of delivery compared to the National average of 36% (Table 7).

[28] *Bangladesh Demographic and Health Survey (BDHS) 2014.*

MATERNAL & CHILDREN NUTRITIONAL SITUATION

BREASTFEEDING

In the PRIME, 99% of new-borns were breastfed within one hour of their birth and 95% of the total new-borns had exclusive breastfeeding during the 1st six months of their lives and no other liquids (i.e. water, honey, sugar solution, etc).

NUTRITIONAL STATUS OF CHILDREN

The nutritional status of children under five of the PRIME HHs was monitored through measuring height-for-age (stunting), weight-for-height (wasting), and weight-for-age (underweight). A child, who is more than two standard deviations below the median (-2 SD) of the WHO reference population in terms of height-for-age, is considered short for their age or stunted. This condition reflects the cumulative effect of chronic malnutrition. Weight-for-height describes current nutritional status. A child, who is more than two standard deviations below (-2 SD) the reference median for weight-for-height, is considered too thin for their height or wasted. This condition reflects acute or recent nutritional deficit. Weight-for-age is a composite index of weight-for-height and height-for-age. A child can be underweight for their age because they are stunted or wasted or both.

Table 8: Nutritional status of U-5 children in PRIME (North) and PRIME (South), compared to that of the national value

	Stunting		Wasting		Underweight	
	Overall	Severe	Overall	Severe	Overall	Severe
National[1]	36	12	14	3	33	8
PRIME[2] (North) n = 2160	31	10	13	4	29	8
PRIME[2] (South) n = 1200	32	12	14	4	27	7

[1]Bangladesh Demography Health Survey (BDHS) 2014
[2]Source : PRIME Results Based Monitoring (RBM) 2016

The nutritional status of under-5 children in PRIME (North) and PRIME (South) compared to that of the national data is presented in Table 8. The proportions of stunted under-5 children both in the PRIME (North) and the PRIME (South) were lower (31-32%) than that at the National level (36%). The proportion of wasted children, on the other hand, was similar in PRIME HHs (13-14%) to that at the National level (14%). The proportion of underweight children was 4-6 percentage point lower among the PRIME HHs (27-29%) than that at the national level. It should be remembered that PRIME data are from the HHs which were originally extreme poor whereas the national (BDHS 2014) data are average of the total population. It was probably nutritional counselling among parents that led to better nutritional situation of under-5 children in the PRIME HHs. Over one-third of the under-5 children, however, were still suffering from chronic under-nutrition at both the national level and among the PRIME HHs, which deserves immediate policy attention.

NUTRITIONAL STATUS OF WOMEN

The nutritional status in terms of body mass index (BMI) of women of child bearing age (15-49 Y) of the PRIME (North) and the PRIME (South) compared to that of the national value is presented in Table 9. The BMI is measured as weight in kilograms divided by height in meters squared (kg/m2). The proportion of normal weight women was higher both in PRIME (South) 69% and PRIME (North) 61% than that of the National level. The proportion of underweight women was similar both in PRIME and National level. The prevalence of overweight women and men is also a growing concern in developing countries. Overweight individuals are predisposed to a wide range of health problems such as diabetes and heart disease as well as poor birth outcomes for women. On the other hand, 19 percent in PRIME (North) and 20 percent in PRIME (South) were undernourished or thin, whereas 18 percent women in North and 11 percent in South were overweight or obese.

According to the BDHS 2011, 42% of women of 15-49 years of age are anaemic and the corresponding values for PRIME (North) and PRIME (South) are 27% and 40%, respectively.

Table 9: Nutritional status of women of child-bearing age (15-49 Y) in PRIME (North) and PRIME (South) compared to that of the National value (BDHS, 2014).

	Nutritional status of women of 15-49 Y (%)		
	Normal Weight (BMI 18.6-25)	Under weight (BMI <18.5)	Over weight (BMI≥25)
National[1]	57	19	24
PRIME[2] (North) n = 2160	61	21	18
PRIME[2] (South) n = 1200	69	20	11

[1]*Bangladesh Demography Health Survey (BDHS) 2014*
[2]*Source : PRIME Results Based Monitoring (RBM) 2016*

IMPACT OF HEALTHCARE PROGRAMME ON EARNING OF PRIME MEMBERS

For implementation of the primary healthcare (PHC) programme, the PRIME on an average spent Tk 32, Tk 68, Tk 82 and Tk 52 per member during FY 2011-12, FY 2012-13, FY 2013-14 and FY 2014-15 respectively. This resulted in significant decrease of health-related income depletion of the PRIME HHs. Table 10 shows the average loss of wages of both male and female members of PRIME households due to illness and cost of treatment. The as average work days lost due to illness decreased over the years amongst males by 27% and women by 24%. The average lost wages also decreased for males by 18% and for females by 15%. The extreme poor are involved mostly in low-skilled wage labour and thus their illness, even if for a day, affects their income. The 22% fall in average cost of treatment of all family members is suggestive of the support received from the PHC, and indicative of the longer-term better health-providing effectiveness of preventative and curative aims of the program.

Table 10: Effect of PRIME PHC on loss of income due to illness and treatment cost

Number of respondents		**72**		
Number of Family members		**360**		
Income lost due to illness and cost of treatment				
Avg. work missed due to illness (days)	**2012-13**	**2013-14**	**2014-15**	**Annual Changes**
Male (days)	62	43	29	-27%
Female (days)	48	34	25	-24%
Avg. daily wage loss (Tk)	189	228	255	17%
Avg. daily wage loss– Male (Tk)	11,718	9,804	7,395	-18%
Avg. daily wage loss – Female (Tk)	9,072	7,752	6,375	-15%
Avg. daily wage loss – (Male + Female –Tk)	20,790	17,556	13,770	-17%
Avg. cost of treatment (all family members – Tk)	14,486	12,123	8,083	-22%

Source : Shusmita Islam (2016) 'How have PRIME health care's intervention in maternal health care improved economic and human wellbeing amongst extreme poor beneficiaries?' MS Thesis, University of Sussex, Institute of Development Studies, UK.

BACKWARD LINKAGE SUPPORT FOR IGA IMPLEMENTATION

The PRIME established four goat-breeding farms through RDRS, ESDO, GBK and POPI and two sheep-breeding farms through SKS and Uddipan in the PRIME (North) working areas. In addition to supplying breeding animals, these farms also serve as training/demonstration units for the intended goat/sheep rearing PRIME members. During FY 2013-14, FY 2014-15 and FY 2015-16, the PRIME established 600, 927 and 2,918 model goat/sheep farms respectively, with at least 4 does/ewes at the PRIME household level around these breeding farms. These model farms ensure perch-system housing, adequate feeding, preventive and curative veterinary care and quality breeding services. These participants are expected to disseminate scientific goat/sheep rearing systems among PRIME members and other farmers in the area.

RESULTS BASED MONITORING (RBM) OF PRIME

The PRIME introduced Results Based Monitoring (RBM) from FY2010-11 and prior to that, it followed activity-based conventional monitoring. In the RBM system, the principle focus is on results - output, outcome and impact, using the logical framework as the 'heart' of the system. The last RBM report includes results from FY2011-12 to FY2015-16 and covers output, outcome and impact indicators (See Figure 25).

At the output level, the activity to output monitoring (ATOM) system used time-based, cumulative percentage progress towards overall target for each element of the programme. These were combined at various levels on a weighted basis to give meaningful percentage progress of all components, partners and areas right up to the programme level.

At the outcome (purpose) level, Economic Self-Sufficiency Assessment Sheet (ESSAS) was used to measure the 'economic self-sufficiency' of PRIME participants that would help them fight the food insecurity during Monga periods. An assessment sheet was used as the guide for scoring the 'financial maturity' of households according to three criteria: year-round employment, number of earning members in a household and greater engagement in economic activities by a household. Besides, in the FY 2013-14 RBM study, IGA-related technical know-how and health-awareness of the PRIME participants were also assessed through two additional parameters in the same assessment sheet.

Impact monitoring was done partly with the USAID Household Food Insecurity Access Scale (HFIAS[29]) as modified by the PKSF for 5 questions and partly by assessing supplementary indicators, all done at the end of a monga season through recalling over the previous month. The top-level index measured is the Seasonal Vulnerability Reduction Index (SVRI) which is calculated from field data entered in a SVRI spreadsheet.

PRIME RBM SYSTEM

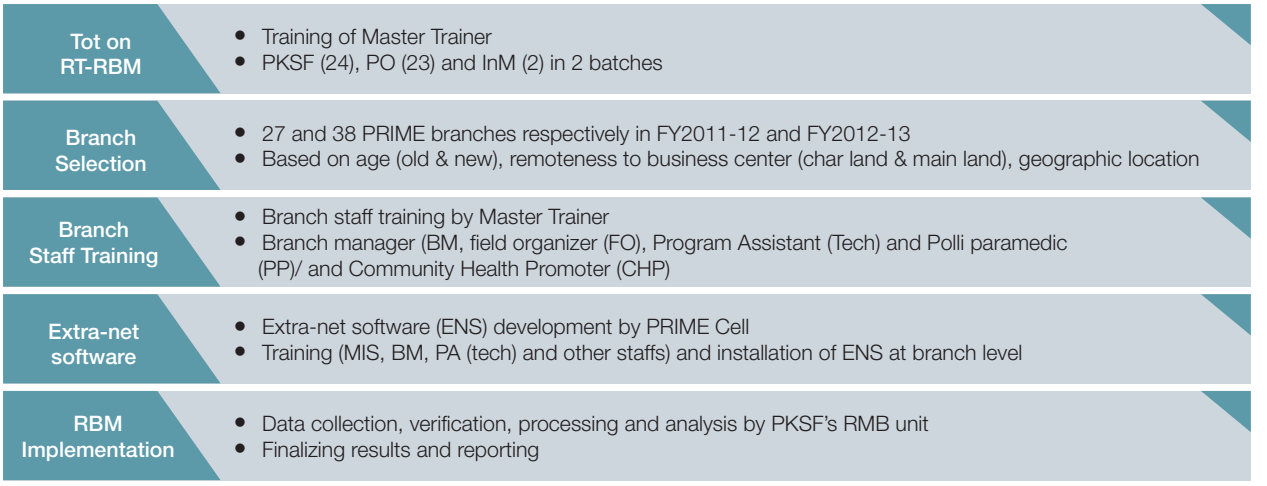
FIGURE 25 PRIME RBM system with its elements and sub-elements

[29] *Jennifer Coates; Anne Swindale; Paula Bilinsky; (August 2007) Household Food Insecurity Access Scale (HFIAS) for Measurement of Food Access: Indicator Guide VERSION 3.*

RBM FOR PRIME (NORTH)

Methodology: The procedures followed for the PRIME RBM are shown schematically in Figure 26.

FIGURE 26 Steps in the implementation of PRIME RBM



SAMPLE SIZE

Out of the 202 branches in the PRIME (North), 27, 38, 33, 34 and 34 branches were studied under the RBM during FY2011-2012, FY2012-13, FY2013-14, FY2014-15 and FY2015-16 respectively. The branches were selected on the basis of their --

- accessibility (char or remote vs. well communicated to growth centre/market),
- time-length of the branch (old vs. relatively new), and
- administrative district coverage (covering all districts).

Sample sizes (number of PRIME households) for the FY2011-2012, FY2012-13, FY2013-14, FY2014-15 and FY2015-16 RBM study for the PRIME (North) were 4,086, 5,538, 4,021, 4,320 and 4,080 (see Table 11). The data were collected immediately after the Monga period (October-November). Sample households were selected randomly from the enlisted PRIME members under the Branches covering at least 50% of the total groups of the branches.

Table 11: Sample size (number of participants) and their proportions (%) relating to total PRIME participants under RBM study from FY2011-12 to FY2015-16 in PRIME (North).

	2011-12 (Dec'11-Feb'12)	2012-13 (Nov'12-Jan'13)	2013-14 (Nov'13-Feb'14)	2014-15 (Nov'14-Feb'15)	2015-16 (Nov'15-Feb'16)
Overall HH of PRIME (up to Jan, 2016)	332,995	349,555	350,529	338,506	350,079
Total participants of RBM branches (up to Nov); (% of overall PRIME HH)	35,131 (11%)	53,254 (15%)	49,304 (14%)	71,001 (20%)	76,253 (22%)
No. of Borrower of RBM branches (as of Jan, 2016)	22,780 (65%)	36,317 (68%)	31,502 (64%)	43,212 (61%)	49,831 (65%)
Sample size (% of total participants)	**4,086 (12%)**	**5,538 (10%)**	**4,021 (8%)**	**4,320 (6%)**	**4,080 (5.35)**

RESULTS OF PRIME (NORTH) RBM

ATOM of PRIME (North): Branch-wise weighted averages of ATOM score for selected PRIME branches were 44%, 60%, 66%, 74% and 79%, respectively for FY 2011-12, FY2012-13, FY2013-14 FY2014-15 and FY2015-16 (Table 12). By FY2015-16, the ATOM score for PRIME (North) was about 80%. By default, some of the components (e.g., emergency loan, vocational training, disaster management) of the PRIME never reached its full score; yet the overall score of 80% is a remarkable achievement of the programme. The ATOM score did not vary significantly among the PRIME (North) districts (Table 13) but it varied to a significant extent among the POs (Figure 27).

Table 12: Component-wise ATOM scores of selected PRIME (North) branches (for RBM)

PRIME Components[a]	2011-12 (Dec'11-Feb'12)	2012-13 (Nov'12-Jan'13)	2013-14 (Nov'13-Feb'14)	2014-15 (Nov'14-Feb'15)	2015-16 (Nov'15-Feb'16)
Group Formation (20%)	60	74	75	80	88
Flexible Micro-credit (FMC) (20%)	56	53	58	60	66
Emergency Loan (EL) (5%)	11	28	41	40	44
Skill Development Training (13%)	59	94	96	97	98
Vocational Training (2%)	4	14	22	32	37
Technical Services (22%)	50	47	54	69	81
Primary Healthcare Services (16%)	10	38	58	67	76
Disaster Management (2%)	0	27	46	29	25
Overall ATOM Score (weighted average)	**44**	**60**	**66**	**74**	**79**

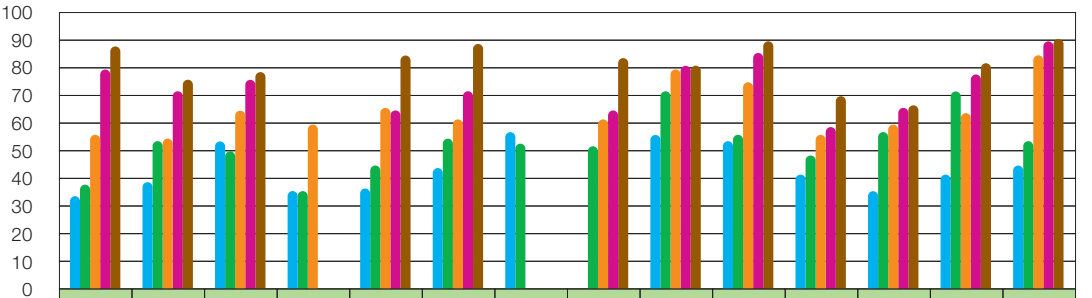
[a]Note: Percentage in parenthesis contains relative weight of the individual component.

Table 13: Mean ATOM value of different PRIME (North) districts from FY 2011-12 to FY2015-16 RBM

Parameter	Mean ATOM value of PRIME (North) Districts					Overall mean of year	Level of significance (error df = 15)	
	Lalmonirhat[1] (n = 5)	Kurigram[1] (n = 9)	Rangpur[1] (n = 6)	Nilphamari[1] (n = 6)	Gaibandha[1] (n = 11)		Effect of year	Effect of district
ATOM (FY2011-12)	49.9 (SE = 3.58)	37.5 (SE = 4.70)	42.2 (SE = 3.07)	46.8 (SE = 3.61)	36.2 (SE = 3.45)	42.8[d] (SE = 1.61)	P < 0.01	P < 0.05
ATOM (FY 2012-13)	57.8 (SE = 3.61)	63.0 (SE = 2.88)	52.5 (SE = 3.25	58.8 (SE = 3.46)	48.5 (SE = 2.91)	55.0[c] (SE = 1.45)		
ATOM (FY 2013-14)	62.7 (SE = 3.94)	74.2 (SE =3.19)	65.3 (SE = 3.91)	71.6 (SE = 3.77)	55.5 (SE = 3.72)	65.7[b] (SE = 1.45)		
ATOM (FY 2014-15)	71.2 (SE = 3.79)	75.1 (SE = 2.67)	76.7 (SE = 3.42)	78.0 (SE = 3.80)	70.6 (SE = 3.29)	74.2[a] (SE = 1.53)	P< 0.05	NS
ATOM (FY 2015-16)	**78.5 (SE = 3.00)**	**87.5 (SE = 2.12)**		**76.0 (4.24)**	**74.8 (1.92)**	**80.2 (1.24)**	**P <0.05**	**NS**

NS = Not significant at 95% confidence level
abc = Values with different superscript differ significantly

FIGURE 27 ATOM scores of different PRIME POs from FY2011-12 to FY2015-16



	BEES	ESDO	GBK	GK	GUK	JCF	PMUK	POPI	RDRS	SHARP	SKS	SSS	TMSS	Uddipan
FY 2011-12	33	38	53	35	36	43	56		55	53	41	35	41	44
FY 2012-13	37	53	49	35	44	54	52	51	71	55	48	56	71	53
FY 2013-14	55	54	64	59	65	61		61	79	74	55	59	63	84
FY 2014-15	79	71	75		64	71		64	80	85	58	65	77	89
FY 2015-16	87	75	78		84	88		83	80	89	69	66	81	90

OUTCOME PRIME (NORTH)

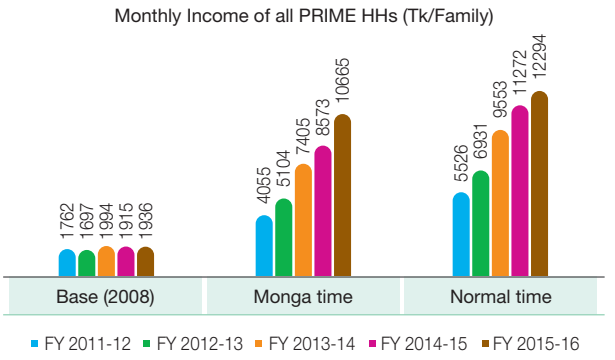
At the outcome level, the RBM measured economic self-sufficiency of PRIME participants by mainly measuring their income, employment and level of economic activities. By definition, the ESSAS measures economic self-sufficiency of participants in terms of their year-round employment, number of earning members, income and greater involvement in economic activities. These are the immediate effects of using project services e.g., micro finance, capacity building, technical services, IGA implementation, etc.

Table 14: Household income of PRIME participants during PRIME interventions

Income	Base[b] Year (FY2007-08)	FY2011-2012	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Total in 3-lean months[a] (BDT)	5,187[b]	12,165	15,312	22,215	27,786	34,671
Total in 9-normal months[a] (BDT)	24,318[b]	49,734	62,379	85,797	104,013	113,949
Total 12 months (BDT)	29,505	61,899	77,691	108,012	131,799	148,620
Weighted average/HH/month (BDT)	2,459	5,158	6,474	9,001	10,983	12,385
Weighted average /head/month[c] (BDT)	324	1,146	1,439	2,000	2,441	2,752
Weighted average /head/day[c] (BDT)	18	38	48	67	81	92
Per capita/head/day ($ PPP)[d]	0.49	1.03	1.30	1.81	2.20	2.48

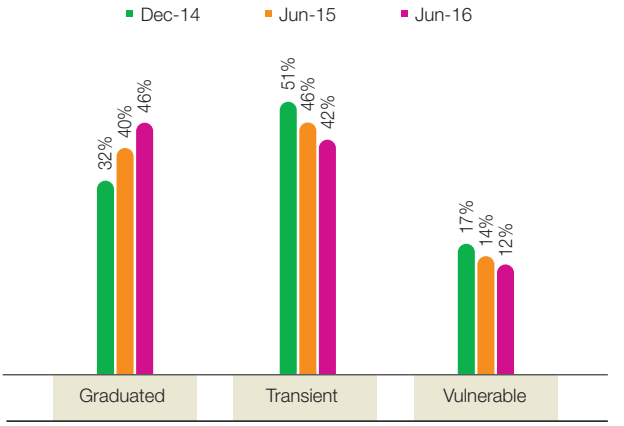
a In Rangpur division, three months (October, November and April) is considered to be Monga (lean) months and the rest are the normal months.
b Base year was FY2007-08, when average monthly income during Monga was Tk.1729/HH and during normal months was Tk. 2701 per HH (estimated as approximately 36% higher than the Monga period).
c Assuming 4.5 members per household (HIES 2010); dPurchasing power parity (PPP) $1 = BDT 37.

FIGURE 28



Overall monthly income (Tk) of all PRIME HHs at FGD (2007-08) and from FY2011-12 to FY2015-16 both at normal time and Monga time

FIGURE 29 Proportion of different categories of PRIME (North) households from December 2014 to June 2016



Household Income: During monga period, the average monthly income of the PRIME HHs at base year (2007-08) was about Tk 1860, which gradually increased to Tk 10,665 in FY2015-16 (Figure 28). During normal time, the PRIME HH's monthly income also increased from Tk 5,526 in 2011 to Tk 12,294 in FY2015-16 (Figure 28). Assuming an average of three Monga months (October, November and April) and the remaining nine as normal months in the Monga-hit area, the average per capita (weighted) monthly income of the PRIME households estimated to be Tk 324 in FY2007-08, which gradually rose to Tk 2752 in FY2015-16 (Table 14).

According to the Household Income and Expenditure Survey-2010 of Bangladesh Bureau of Statistics (2011), the per capita monthly income of household under lower poverty line was Tk 1,103 and for the higher poverty line it was Tk 1,271 at the national level. Apparently, the PRIME (North) households exceeded the lower poverty threshold by FY2011-12 and the upper poverty threshold by FY2012-13. Poverty line as defined by the DFID Bangladesh (at 2009 prices) is BDT 22/head/day for extreme poverty, BDT 33/head/day for the lower national poverty line and BDT 41/head/day[30] for the upper national poverty line. The PRIME (North) members started their journey from the daily income of BDT 18/head/day (about 18% lower than the DFID extreme poverty line of BDT 22/head/day during 2007) crossed the DFID's lower national poverty line (BDT 33/head/day) to reach BDT 38/head/day by FY2011-12, and exceeded the DFID's upper national poverty line (BDT 41/head/day) to BDT 48/head/day during FY2012-13 (Table 14). By FY2013-14, the per capita daily income of PRIME (North) HHs reached BDT 67. In fact, the per capita daily income of PRIME (North) HHs during FY2015-16 was $2.48 (2013 Taka at 2010 PPP; Tk. 37/US$), which was higher than the $1.72 of World Bank's "$1 a day" standard (Table 14). All these indicate that the PRIME succeeded not only in achieving its target of lifting the average income of the Monga-affected HHs but also in crossing the income-poverty line of "$1 a day" both by national and international standards.

From FY 2014-15, it became evident that members were not homogeneous -- some were still vulnerable, some transient and some had already graduated out of extreme poverty. The PKSF took deliberate attempts to categorise the PRIME households based on six criteria shown in Table 15. The vulnerable extreme poor HHs still did not have any regular income source, and were occasionally employed in traditional occupations during Monga. Economically, they were at the lowest strata among the PRIME members. These households were generally landless, woman-headed with single or no earning members. The transient extreme poor HHs were the ones that had several ups and downs but moved forward. Most of the downs were due to idiosyncratic shocks, often health-related. The

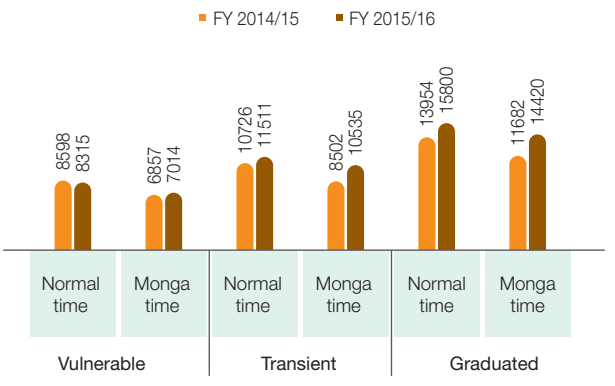
[30] *DFID Bangladesh Information Note : Poverty Thresholds and Reporting (2010)*

graduated extreme poor HHs already had made their way out of extreme poverty, established themselves on solid economic base and were unlikely to be slip down. The proportion of different categories of PRIME (North) households from December 2014 to June 2016 is shown in Figure 29. By June 2016, nearly 88% of the PRIME HHs were either graduated or on their way to graduation which was reflected in their monthly income as well. By June 2016, the monthly income of graduated PRIME HHs reached Tk 14,420 (about Tk 109/head/day; Figure 30).

Table 15: PRIME member categorisation criteria

Criteria	Graduated	Transient	Vulnerable
1. Three meals during Monga	√	√	Occasionally misses one meal
2. Sustain IGA with continuous income	√	√	X
3. Multiple sources of income	√	X	X
4. Productive asset value (Tk)	>20,000	6,000-20,000	<6,000
5. Withdraw savings as a cooping strategy	X	X	√
6. Dependent on loans or temporary food assistance	X	X	√

FIGURE 30



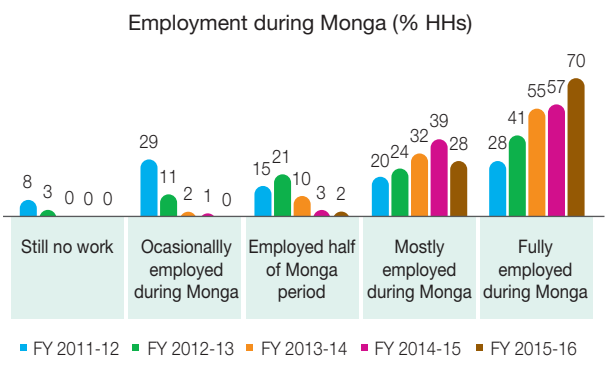
Monthly income (Tk) of three categories of PRIME households at FGD (2007-08) and during normal and Monga times of FY2014-15 and FY2015-16

Household Employment: As shown in Figure 32, the employment situation of the main earning member of PRIME HHs increased progressively from inception. By FY2015-16 Monga, almost 100% of the main earning members of PRIME households had varying levels of employment. Of them, 70% had employment through almost the entire Monga period. Besides, by FY2015-16, nearly 100% of the PRIME households had at least two members with year-round employment, and in 41% of these HHs, adult members had employment almost throughout the year (Figure 31). During the Monga months, the main earning member of average PRIME HHs had 15, 18, 19, 20 and 21 days of employment in FY2011-12, FY2012-13, FY2013-14, FY2014-15 and FY2015-16 respectively. Clearly, there had been a gradual progression of employment opportunities of the PRIME HHs from 2007 to 2016 (Figure 31). Based on this information, it can be estimated[31] that annual employment of the main

[31] *For FY2011-12, annual employment days was calculated assuming 15 days (direct estimate) employment per month during the monga months (October, November and April) and 18 days (assumed) employment per month during rest of the nine months. For FY2012-13 annual employment days was calculated assuming 18 days (direct estimate) employment per month during the monga months (October, November and April) and 18 days (assumed) employment per month during rest of the nine months. For FY2013-14 annual employment days was calculated assuming 19 days (direct estimate) employment per month during the monga months (October, November and April) and 21days (assumed) employment per month during rest of the nine months. For FY2014-15 onward annual employment days was calculated assuming 19 days (direct estimate) employment per month during the monga months (October, November and April) and 21days (assumed) employment per month during rest of the nine months. For FY2015-16 annual employment days was calculated 21days (assumed) employment per month throughout the year.*

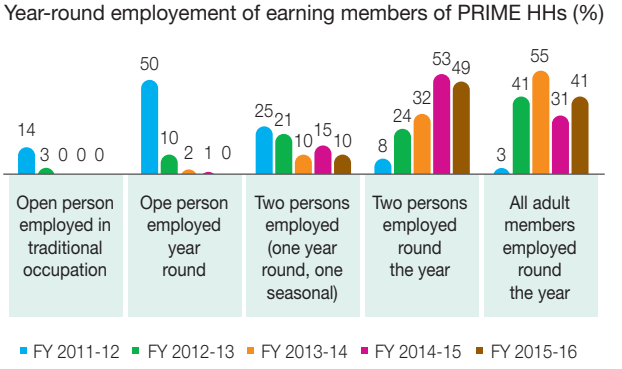
earning members of the PRIME HHs during FY2011-12, FY2012-13, FY2013-14, FY 2014-15 and FY 2015-16 were 177 days, 216 days, 246 days, 249 and 251 days respectively. A person is considered employed full-time/full-year if they worked 35 hours or more per week (full-time) and 50 or more weeks per year (full-year)[32]. It can be calculated that for the PRIME HHs during FY2015-16 there was >50 weeks of employment. This means that by FY2015-16, on an average, the main earning members of PRIME HHs were full-time employed, which had been one of the main objectives of the PRIME. Besides, year-round employment of all earning members of PRIME HHs also increased over the years of project interventions (Figure 32).

FIGURE 31



Proportion (%) of PRIME HHs engaged in different periods of employment from FY2011-12 TO FY2015-16 Monga

FIGURE 32

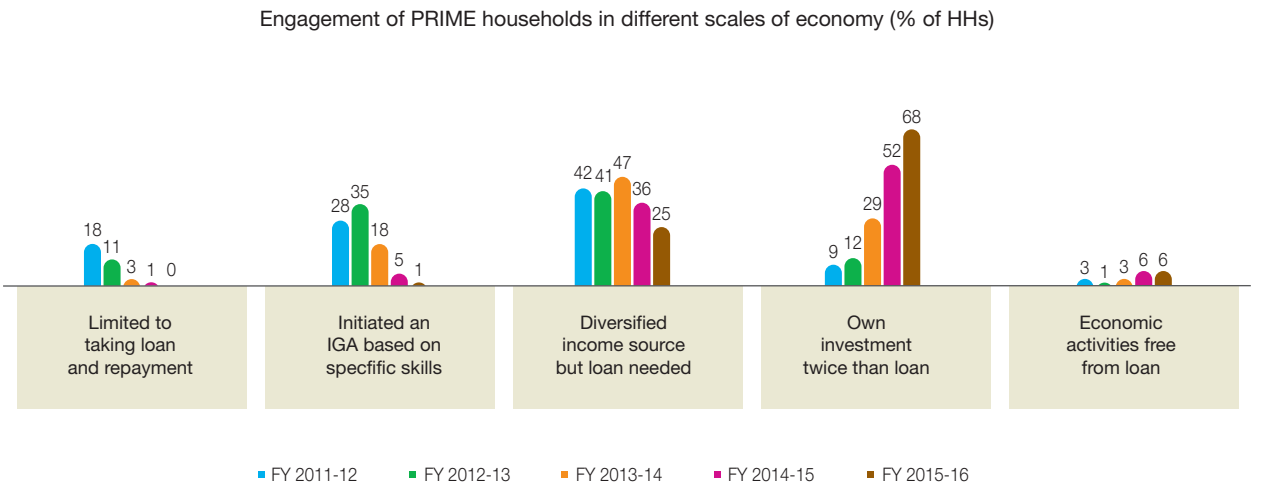


Proportion (%) of PRIME HHs with varying numbers of earning members with year-round employment from FY2011-12 to FY2015-16

[32] *Online Resource for U.S. Disability Statistics: www.disabilitystatistics.org/glossary.cfm?g_id=277&view=true*

As seen in Figure 33, the economic activities of the PRIME (North) HHs increased over the years since inception of the PRIME. During FY2015-16, all PRIME (North) HHs had at least more than one income generating activity (IGA) and 99% of the HHs had diversified income sources.

FIGURE 33 Proportions (%) of PRIME households engaged in different scales of economic activities from FY 2011-12 to FY 2015-16 Monga



Productive asset: Asset accumulation is an important economic indicator for sustainable graduation of PRIME HHs out of extreme poverty. The FY 2015-16 RBM studied productive assets namely livestock, cultivable land and other non-farming productive assets like rickshaw/van, grocery shop or other trades. At the onset of the PRIME interventions during 2007-2008 (i.e., during FGD), the average (±SE) productive asset value of PRIME HHs was Tk 12,717 (±1055) which increased by 10.5 times to Tk 133,969 (±3494) in June 2016. There are large variations among districts in terms of the increase of value of productive assets between the FGD (2007) and the study time (FY 2015-16; Figure 34). During FY2015-16, the proportion of PRIME HHs with different levels of productive assets is shown in Figure 35. By 2015-16, nearly 97% of the PRIME HHs have productive assets worth ≥Tk 40,000. Of these HHs, 39% had productive assets worth >Tk 80,000 (Figure 35). There was no HHs with productive assets worth <Tk 20,000.

FIGURE 34 Changes in productive assets value (Tk) of PRIME HHs between FGD (2007) and FY 2015-16

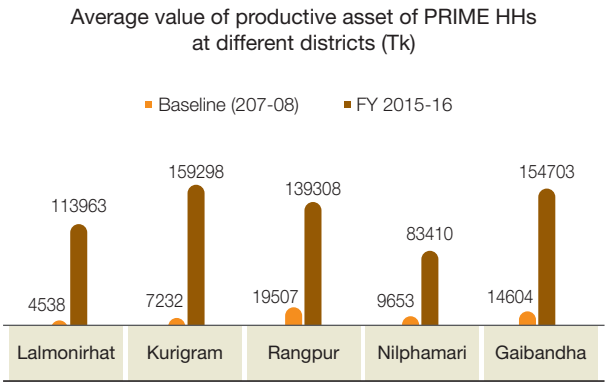
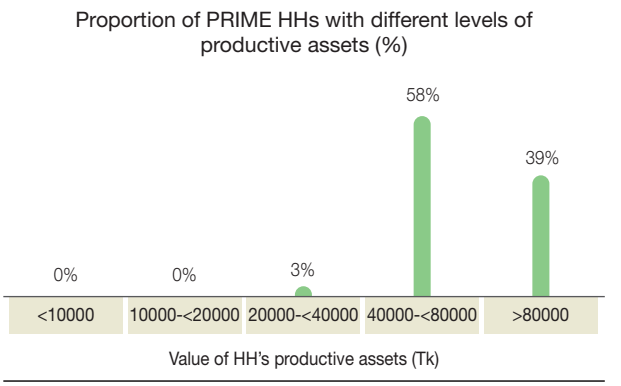


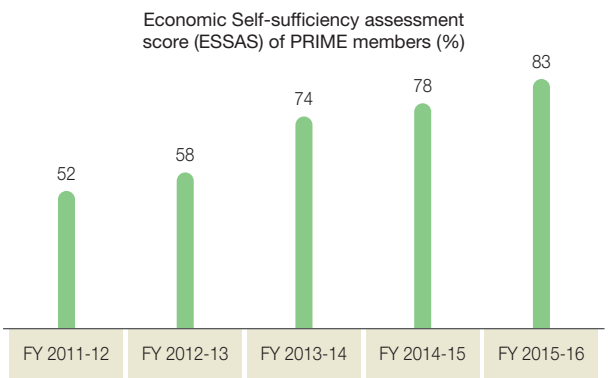
FIGURE 35 Proportion of PRIME HHs with different levels of productive assets (Tk) during FY 2015-16 in PRIME (North)



ECONOMIC SELF-SUFFICIENCY ASSESSMENT (ESSAS) SCORE

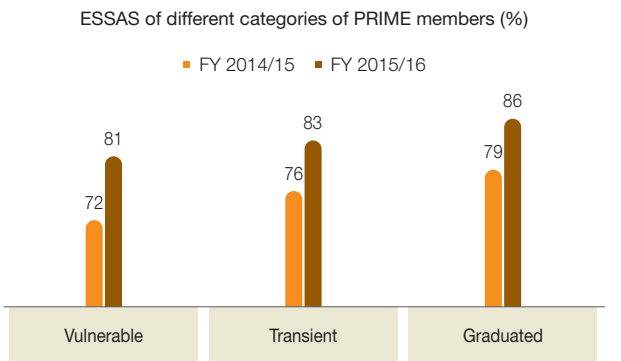
The ESSAS captured 'financial maturity' of PRIME households based on their year-round employment, number of earning members in a household and greater engagement in economic activities by a household. As shown in Figure 36, starting from 52% in FY2011-12, the economic self-sufficiency of PRIME HHs reached 85% by FY 2015-16. As expected, there were much variation in the ESSAS scores of the vulnerable, the transient and the graduated HHs (Figure 37). Besides, there were variations in ESSAS values among the different districts of the PRIME (North), but the differences were not significant (P>0.05), with the highest in Lalmonirhat (86) and the lowest (81) in Rangpur (Table 16). Although, the Lalmonirhat PRIME branches were at least 1-1.5 year older than those in Kurigram, the ESSAS variations between the districts are largely due to differences in the performance of individual POs working in the respective area. After 10 years of PRIME interventions, about 83% of the PRIME households are now financially mature which they were not in 2007 when the programme started. By the time the programme ended, Monga had officially been made non-existent. This was reflected in different ESSAS parameters mentioned earlier.

FIGURE 36



Overall economic self sufficiency score (ESSAS) of PRIME members during FY2011-12, FY2012-13, FY2013-14, FY2014-15 and FY 2015-16.

FIGURE 37



Overall economic self sufficiency score (ESSAS) of different categories of PRIME members during FY2014/15 and FY 2015/16

Table 16: Mean ESSAS value of different PRIME (North) districts during FY 2011-12, FY2012-13, FY2013-14, FY2014-15 and FY 2015-16 RBMs.

Parameter	Mean of PRIME (North) Districts					Overall mean of year	Level of significance (error df = 25)	
	Lalmonirhat[1] (n = 5)	Kurigram[1] (n = 9)	Rangpur[1] (n = 6)	Nilphamari[1] (n = 6)	Gaibandha[1] (n = 11)		Effect of year	Effect of district
ESSAS (FY2011-12)	56.6 (SE = 2.84)	49.3 (SE = 3.71)	53.2 (SE = 2.43)	54.2 (SE = 2.86)	49.6 (SE = 2.73)	52.9[f] (SE = 1.27)	P < 0.01	P > 0.05
ESSAS (FY2012-13)	58.8 (SE = 2.86)	56.8 (SE = 2.27)	55.9 (SE = 2.57)	65.3 (SE = 2.74)	58.2 (SE = 2.30)	58.5[e] (SE = 1.15)		
ESSAS (FY2013-14)	69.5 (SE = 2.16)	77.6 (SE = 1.76)	73.9 (SE = 2.15)	73.8 (SE = 2.07)	74.3 (SE = 2.04)	74.1[d] (SE = 0.91)		
ESSAS (FY2014-15)	76.0 (SE = 1.47)	78.4 (SE = 1.03)	77.1 (SE = 1.32)	77.0 (SE = 1.47)	79.6 (SE = 1.27)	77.8[d] (SE = 0.59)		
ESSAS (FY2015-16)	85.5 (SE = 1.64)	82.1 (SE = 1.38)	81.4 (SE = 1.20)	82.3 (SE = 1.65)	85.2 (SE = 1.19)	83.2[c] (SE = 0.63)		

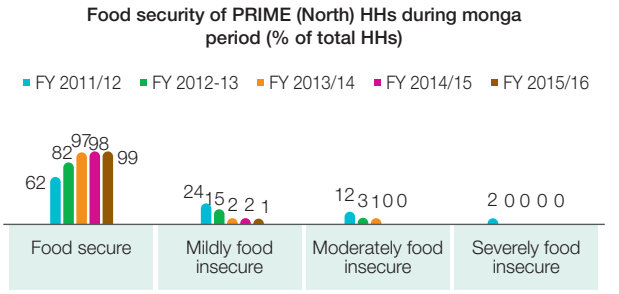
[1]n, indicate number of PRIME branches under the RBM 2012-13 study.
[ab]Values with different superscripts in the same row differ significantly (P < 0.05)
[cdef]Values with different superscripts in the same column differ significantly (P < 0.01)

IMPACT (GOAL) LEVEL

As mentioned earlier, at the **impact** level, the modified USAID Household Food Insecurity Access Scale (HFIAS) was used to measure food security[33] status of the PRIME participants. They were asked about the food insecurity situation during the Monga months and its intensity.

Household Food Insecurity Access Scale (HFIAS): The overall food security situation of PRIME (North) members during the Monga period from FY 2011-12 to FY 2015-16 is shown in Figure 38. During the FY 2015-16 Monga period, 99% of the PRIME households were fully food secure and only 1% were mildly food in-secure, which means none were moderately or severely food insecure. This was observed across the PRIME (North) districts (Table 17). Across the PRIME member categories, nearly 100% of the graduated and transient HHs were fully food secure while 96% of the vulnerable HHs were food secure and 4% mildly food insecure.

FIGURE 38



Proportion (%) of PRIME households at different levels of food security during FY2011-12, FY2012-13 FY2013-14, 2014-15 and 2015-16 Monga periods

Table 17: Proportion (%) of food-secure PRIME households from FY2011-12 to FY2015-16 Monga period in different PRIME (North) districts

Consumption of 3 full meals daily during monga	Mean of PRIME (North) Districts					Overall mean of year	Level of significance (error df = 41; EMS = 291)	
	Lalmonirhat[1] (n = 5)	Kurigram[1] (n = 9)	Rangpur[1] (n = 6)	Nilphamari[1] (n = 6)	Gaibandha[1] (n = 11)		Effect of year	Effect of district
FY2011-12	52 (SE = 9.3)	61 (SE = 12.9)	73 (SE = 9.6)	47 (SE = 10.0)	66 (SE = 12.5)	60[c] (SE = 4.2)	P < 0.01	NS
FY2012-13	72 (SE = 10.1)	82 (SE = 7.9)	98 (SE = 10.2)	81 (SE = 9.5)	77 (SE = 10.1)	82[b] (SE = 3.9)		
FY2013-14	96 (SE = 2.6)	98 (SE = 2.2)	99 (SE = 2.6)	98 (SE = 2.5)	96 (SE = 2.5)	97[a] (SE = 1.1)		
FY2014-15	99 (SE = 7.6)	99 (SE = 5.3)	99 (SE = 6.8)	100 (SE = 7.6)	99 (SE = 2.5)	98[a] (SE = 6.5)		
FY2015-16	99 (SE = 0.4)	99 (SE = 0.33)	99 (SE = 0.29)	100 (SE = 0.40)	99 (SE = 0.29)	99[a] (SE = 0.15)		

[1]n, indicate number of PRIME branches under the RBM 2012-13 study.
[abc]Values with different superscripts in the same column differ significantly (P < 0.01)
NS = Not significant at 95% confidence level

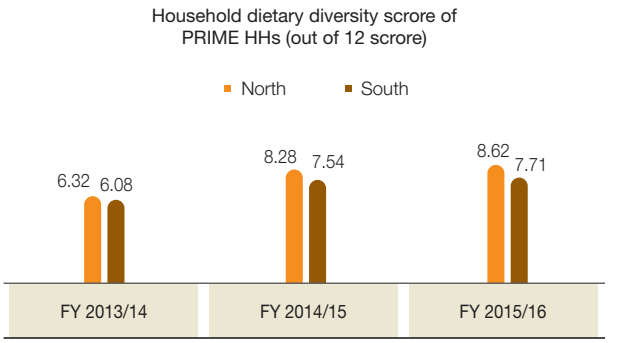
[33] Food security in the current discussion is not in its classical sense. Here a person is considered as Food secured when he has access to three full meals (quantity of meal) daily most of the time, without considering the nutritional (quality of nutrition) adequacy of the diet consumed. Besides, a person is considered to be food secured even though s/he misses one or two meals in a month.

For Bangladesh, the minimum calorie threshold of 2,122 kcal/person/day is known as the food poverty line. The BBS identifies that people or households failing to acquire this level of calories are termed as 'absolute food poor', and those who cannot acquire 1,805 kacl/person/day are 'hard-core poor' (BBS 2007). Although we did not measure caloric intake by PRIME households in the RBM study, a USAID-sponsored study by the International Food Policy Research Institute (IFPRI) across the country shows that the calorie intake by rural households in the Rangpur division is 2,227 kcal/person/day (Ahmed et. al. 2013)[34]. This is obviously above the minimum calorie threshold of 2,122 kcal/person/day, for the food poverty line.

HOUSEHOLD DIETARY DIVERSITY SCORE (HDDS)

The HDDS is a qualitative measure of food consumption that reflects the household access to a variety of foods. The HDDS ranges between 0-12 food groups and the lowest dietary diversity is ≤3 food groups, the medium dietary diversity is 4-5 food groups and the highest dietary diversity is ≥6 food groups (FAO, 2011). During FY 2015-16, the average HDDS of PRIME (North) and PRIME (South) were 8.62 and 7.71 respectively, which are about 36% and 21% higher than the FY 2013-14 values (Figure 39).

FIGURE 39 Average household dietary diversity score (HDDS) of PRIME (North) and PRIME (South)



SEASONAL VULNERABILITY REDUCTION INDEX (SVRI)

As mentioned earlier, food security and the supplementary indicators for -coping strategy (distress asset sale, advance labour sale, advance crop sale and lending from money lenders) are combined to measure the impact as Seasonal Vulnerability Reduction Index (SVRI), a positive indicator in which a larger score means a reduction in vulnerability.

FIGURE 40 SVRI of PRIME HHs in Monga periods from FY2011-12 to FY2015-16 in different PRIME (North) districts

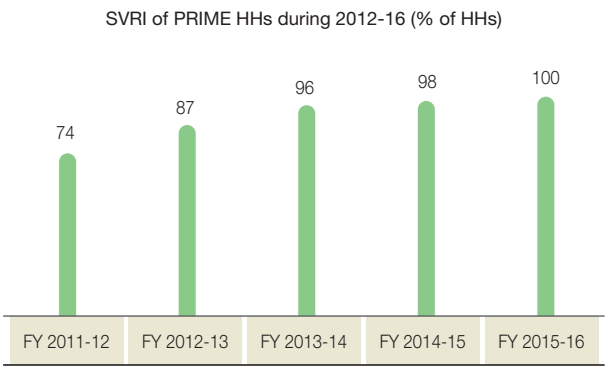
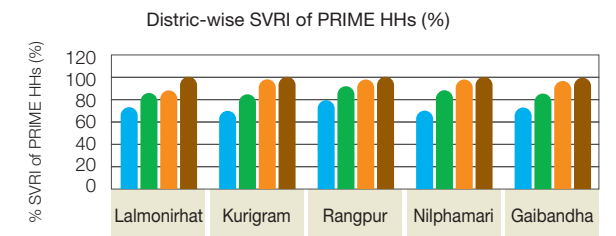


FIGURE 41 District-wise SVRI of PRIME HHs in Monga periods from FY2012-13 to FY2015-16 in different PRIME (North) districts



	Lalmonirhat	Kurigram	Rangpur	Nilphamari	Gaibandha
FY 2012-13	73	70	79	70	73
FY 2013-14	86	84	92	88	85
FY 2014-15	88	98	98	98	96
FY 2015-16	100	100	100	100	99

[34] *Ahmed A.U., Ahmad, K., Chou, V., Hernandez, R., Menon, P., Naeem, F., Naher, F., Quabili, W., Sraboni, E., Yu, B. (2013) The status of food security in the Feed the Future zone or other regions of Bangladesh: Results from the 2011-2012 Bangladesh integrated household survey. International Food Policy Research Institute (IFPRI), Bangladesh Policy Research and Stretegy Support Programme for Food Security and Agricultural Development; House # 10; Road # 35; Gulshan 2; Dhaka 1212; Bangladesh*

After nine years of PRIME intervention, the SVRI of PRIME HHs increased from 74% in 2011 to 100% in 2016 (Figure 40). This means that by 2016 nearly all of PRIME households were no longer vulnerable to monga. The Average SVRI varied also did not vary among PRIME districts except in Gaibandha where it was slightly lower. This is because of natural vulnerability of this flood and river erosion-prone area.

Khalily and Shahriar (2008)[35] measured food vulnerability of the monga-affected HHs of the greater Rangpur region. They showed that during 2007, food vulnerability of Rangpur, Kurigram, Nilphamari, Lalmonirhat and Gaibandha districts were 97%, 96%, 93%, 86% and 86% respectively. Although the current SVRI index considered both food security and monga-coping strategy in its vulnerability component, a comparison could be drawn between these two observations. Compared to that in 2007, seasonal (monga) vulnerability reduced by almost 100% in those PRIME (north) districts (Figure 41). Elimination of food vulnerability was one of the major objectives of the PRIME and it was achieved by 2014.

RBM RESULTS OF PRIME (SOUTH)

The PRIME (South) activities started during FY 2009-10, nearly three years after the PRIME (North). Eleven branches of 10 out of the 15 POs working in PRIME (South) were selected for FY 2015-16 RBM. Out of 20,197 members in these branches, RBM data were collected from a total of 1,320 members (about 7%). 120 HHs in each branch were surveyed.

Output (South): Component-wise ATOM progress of 11 PRIME (South) branches is given in Table 18. The overall weighted average of the ATOM was 69%.

Table 18: Component-wise ATOM scores of PRIME (South) branches in 2011-12, 2012-13 and 2013-14

SL.	Name of Components	RBM (2011-12)	RBM (2012-13)	RBM (2013-14)	RBM (2015-16)
1.	Group Formation	54	68	70	76
2.	Flexible Microcredit (FMC)	20	30	41	48
3.	Emergency Loan (EL)	7	50	63	61
4.	Skill Development Training	15	64	94	99
5.	Vocational Training	-	2	31	39
6.	Technical Services	22	23	46	67
7.	Primary Healthcare Services	5	18	35	60
8.	Disaster management	-	-	13	27
	Weighteda average	**22**	**39**	**56**	**69**

[a]Group formation (18%), FMC (20%), EL (8%), Skill development training (13%), Vocational training (6%), Technical service (20%, Primary health care (15%) and disaster management (2%) .

Outcome (South): The Overall ESSAS scores of PRIME members during FY 2011-12, FY 2012-13, FY 2013-14 and FY 2015-16 were 42%, 52%, 64% and 73%, respectively (Figure 42). Since inception, the average annual income of PRIME (South) HHs increased from Tk 32,376 during the FGD to Tk 100,674 during the lean period of FY 2015-16, which is 211% higher than the baseline (Figure 43). In 2010, the average per capita income of PRIME (South) HHs was $0.53/d which increased to $ 1.69 in 2016 (at $ 1 = Tk 37, PPP).

The Monga period (August–November) in the PRIME (South) area was characterised by large scale unemployment and food deficiency. After about 6 years of PRIME intervention, during 2015-16, 78% of the PRIME households had employment during the lean months. However, occasional employment or no employment during the lean period reduced to only 2% in FY 2015-16 from 54% in 2011 (Figure 44). Among the employed HHs, about 95% included at least two persons with having year-round employment during FY 2015-16 (Figure 45).

[35] *Khalily, B.M.A. and Shahriar, T. 2008) Vulnerability of poor households in the greater Rangpur region. In Monga in Greater Rangpur: Intensity, coping, vulnerability and the Impact of Mitigating Stretegies. Volume One. Institute of Microfinance, PKSF Bhaban, Agargaon, Dhaka 1207, Banglades. Pp145-196.*

FIGURE 42 Overall ESSAS of PRIME (South) members from FY 2011-12 to FY 2015-16.

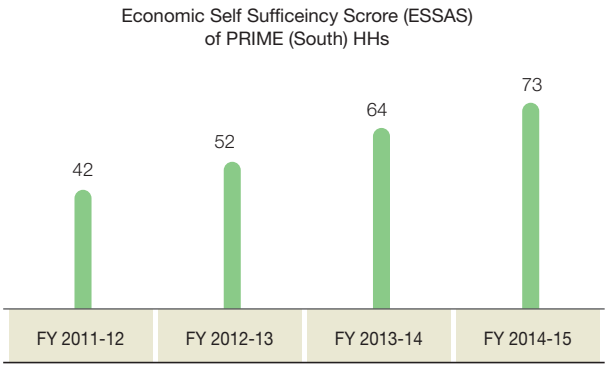


FIGURE 43 Average annual income of PRIME (South) households from FY 2011-12 to FY 2015-16.

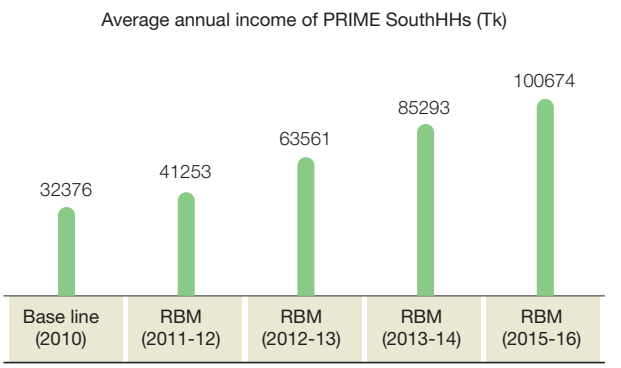


FIGURE 44 Employment rate (%) of PRIME (South) HH-head during the monga periods between FY 2011-12 and FY 2015-16

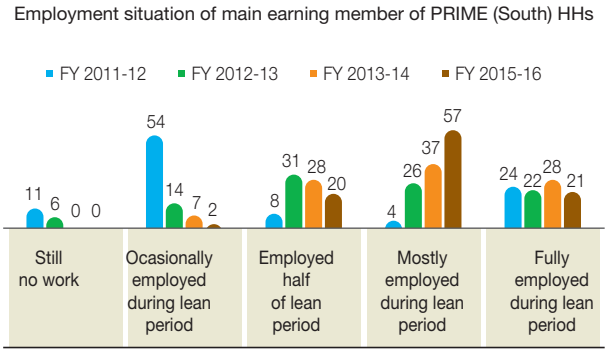
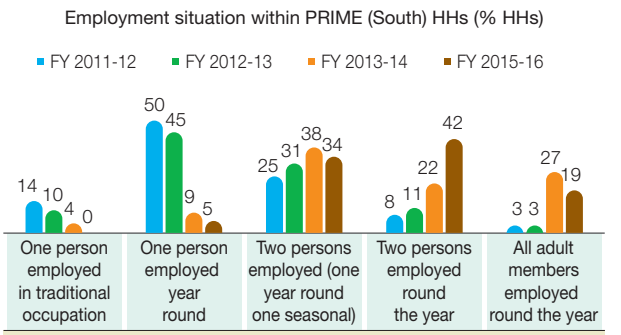
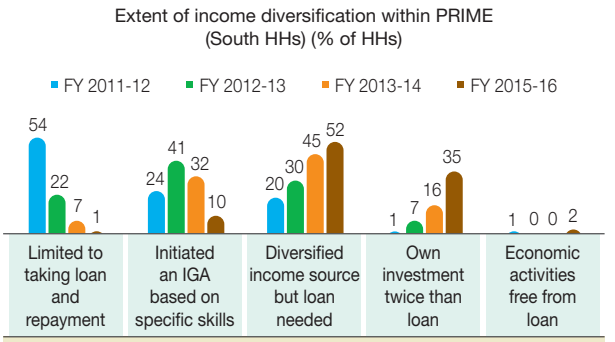


FIGURE 45



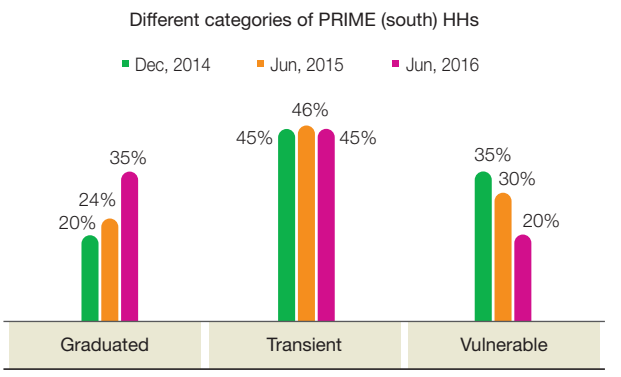
Percentage (%) of different types of earning members among ultra-poor households in PRIME (South) working areas from FY 2011-12 to FY2015-16

FIGURE 46



Percentage (%) of PRIME (South) HHs engaged in different levels of economic activities

FIGURE 47 Percentage of different categories of PRIME (South) HHs from 2014-2016



About 99% of the PRIME (South) participants had initiated at least one IGA, based on specific skills (Figure 46). These IGAs included crop, fish and livestock farming, and also non-farming activities like tailoring, small businesses, handicrafts manufacturing etc.

PRIME (South) Member Categorisation: The proportion of different categories of PRIME (South) households from December 2014 to June 2016 is shown in Figure 47. By June 2016, nearly 80% of PRIME (North) HHs were either graduated or on their way to graduation, which is also reflected in their monthly income.

Impact (South): During the FY 2015-16 lean period, 97% of the PRIME HHs were fully food secure, which was 70% in FY 2012-13 and only 48% in FY 2011-12. During the lean period of the FY 2011-12, about 31% of the PRIME HHs were mildly food insecure, 17% moderately so and 4% severely food insecure (Figure 48). By FY 2015-16, only 2% of the PRIME (South) HHs were mildly food insecure, 1% moderately food insecure and no one was severely food insecure. During FY 2015-16, only 5% of the PRIME HHs were seasonally vulnerable and the rest 95% were considered no longer vulnerable (Figure 49). During the FY 2015-16 lean period, about 23% of PRIME HHs (Figure 50) adopted different lean-season-coping strategies. Among them, 10% borrowed money from money-lenders, 7% made distress asset sale, 4% had to sale labour in advance and 2% had to sale crops in advance (Figure 51).

FIGURE 48 Food security status of PRIME (South) HHs during the lean periods from FY 2011-12 to FY 2015-16

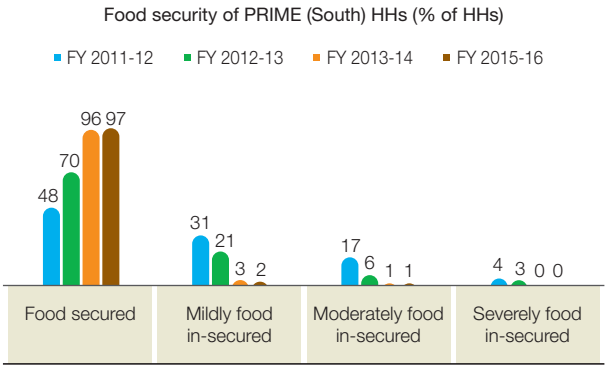


FIGURE 49 Vulnerability reduction index (%) of PRIME (South) HHs from FY2011-12 to FY2015-16

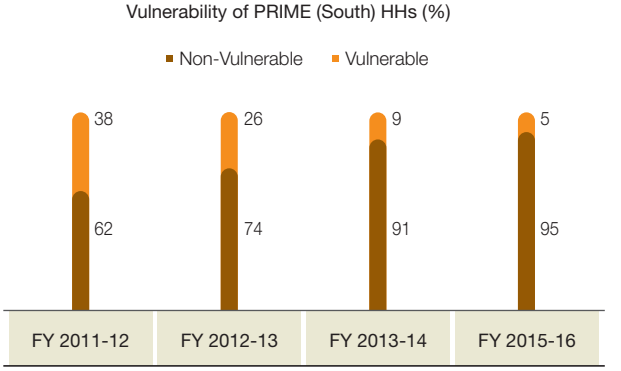
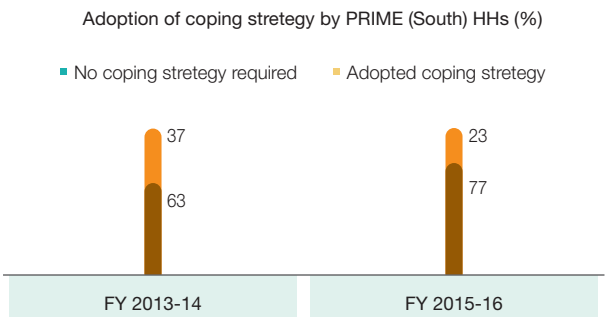
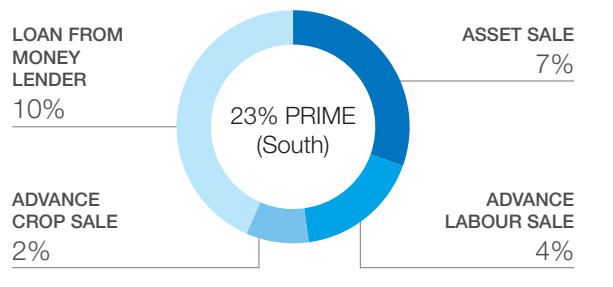


FIGURE 50



Proportion (%) of PRIME (South) HHs that adopted monga-coping strategy to minimise seasonal vulnerability during 2013-14 and FY 2015-16

FIGURE 51



Proportion (%) of different coping strategies adopted by 23% PRIME (South) HHs during 2015-16

INDEPENDENT IMPACT STUDY OF PRIME (NORTH) BY InM

Evaluating the impact of programme interventions was a regular activity of the PRIME. The Institute for Inclusive Finance and Development (InM) in partnership with the PKSF carried out seven rounds of impact assessment to evaluate the outcomes of different PRIME interventions.

The 7th and the final round of the impact study was conducted from October 2015 to February 2016, with sample size of 3,115 HHs using both cross-sectional and panel data sets over the period of 2008-2014. In addition to the assessment of economic and social impacts, it also measured the impacts of the PRIME on human dignity following the framework of Amartya Sen that poverty restricts freedom of choice and dignity. During 2015, the PRIME (North) HHs faced two devastating floods -- one in June-July, and the other in September-October. The latter was more limited mostly to Kurigram and Gaibandha districts. This study also analysed impacts of the floods on different economic outcomes.

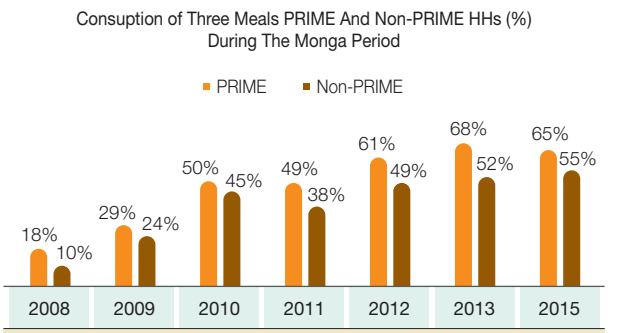
FOOD SECURITY

The percentage of households having three meals during monga times by the PRIME and the non-PRIME HHs is shown in Figure 52. In 2008, nearly 18 percent of both the groups of households had three meals during the monga time. In 2015, it increased to 65 percent for the PRIME households, compared to 55 percent of the non-PRIME households. The percentage of households having three meals during monga declined marginally in 2015 probably due to flood. However, the state of food security did not change much.

ECONOMIC OUTCOMES

The average income of the PRIME households (PCP HHs) in 2015 was Tk 88,000, an increase by Tk 11,000 from the previous year (Figure 53). However, the rate of increase was higher for the non-PRIME households (NP HHs). Such an increase in income also contributed to higher level of annual expenditures, which is by around 17 percent (Figure 53).

FIGURE 52



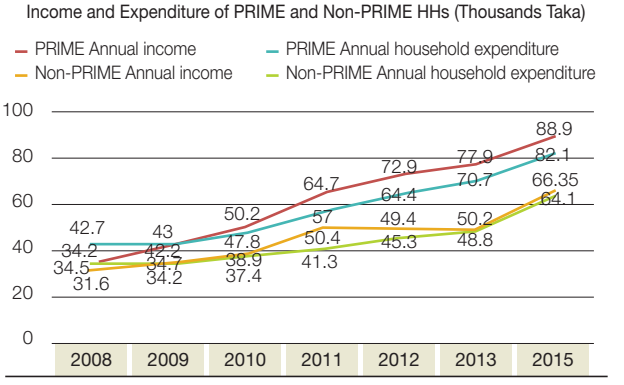
Percentage of HHs having three meals during Monga times during PRIME interventions (PRIME 7th Round Impact Study; Khalily et al. 2016)

EFFECTS OF FLOOD ON DIFFERENT ECONOMIC OUTCOMES

Flood was prevalent in Gaibandha and Kurigram districts. Around 43 percent of the PCP HHs were affected by flood, compared 25 percent of the NP households. It did not necessarily lead to sharp

FIGURE 53

Changes in income and expenditure of PRIME and Non-PRIME HHs during PRIME interventions (PRIME 7th Round Impact Study; Khalily et al. 2016)



decrease in income and consumption of the PCP HHs. The rate of increase in income, expenditures and savings of the PCP HHs decreased, compared to that of the NP. Flood reduced income of the PCP HHs by Tk 1,790. Similarly, it contributed to decrease in expenditures and savings. These negative results were evident because the survey was conducted immediately after flood.

RESILIENCE TO FLOOD BASED ON 100-SAMPLE SURVEY

The resilience of PRIME (North) to flood was measured by conducting a small survey of 100 households on selected economic outcomes in two flood-affected districts (Gaibandha and Kurigram). The results are shown in Table 19.

Table 19. Selected economic outcomes of 100-sample survey

Financial parameters	Participation Status	2013	2015[a]	2016[b]
Total income (Thousands Tk)	PRIME (PCP)	80.9	105.43	116.2
	Non-PRIME (NP)	51.6	60.3	80.0
Financial Asset (Thousands Tk)	PRIME (PCP)	5.5	12.24	13.9
	Non-PRIME (NP)	3	0.7	1.7

Notes: a The main survey was conducted in October-November 2015.
b The 100-sample survey was conducted in January, 2016.

The results show that both the average income and the net savings in 2016 were higher from the levels in 2015 and in 2013. The average annual income of the PCP HHs rose by Tk 36,000 since 2013, compared to Tk 29,000 rise for the NP HHs. Similarly, financial assets for the PCP households were much higher than those of the NP households. These results suggest that households recovered from the flood in a short span of time. It also indicates that households developed higher capability to cope with adverse shocks within a short period of time. Since the sample size was small, these results have to be treated with caution.

IMPACT OF PRIME ON INCOME POVERTY

Poverty prevalence was classified as Non-poor, Moderate poor, Extreme Poor, and Extreme Vulnerable Poor. The proportion of the non-poor HHs increased over time both in the PCP and the NP levels but the rate was higher among the PCP HHs (Table 20 and Figure 54). The proportion of Non-poor increased marginally in 2015 for the PCP HHs, probably due to flood. The proportion of Extreme Vulnerable Poor in the PCP HHs

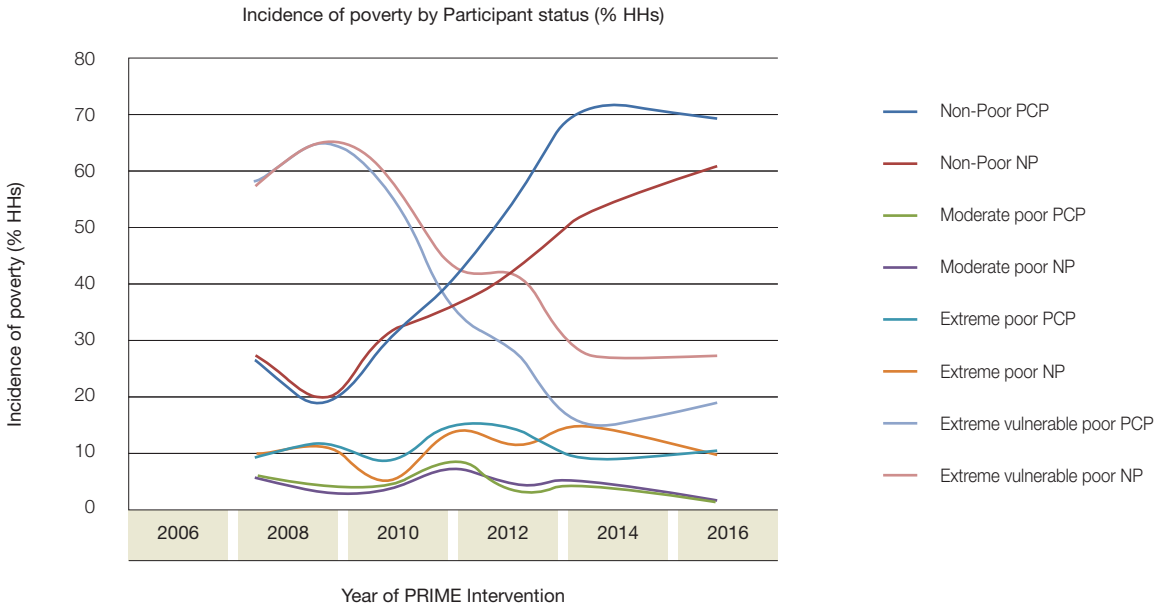
Table 20: Incidence of poverty by program participation status (using traditional approach)

Poverty Status	Participant[1]	Year of PRIME participation (% of HHs)						
		2008	2009	2010	2011	2012	2013	2015
Non-Poor	PCP	26.36	18.86	30.26	40.79	55.48	70.83	69.37
	NP	27.25	20.18	31.43	35.89	42.86	52.14	60.86
Moderate poor	PCP	5.76	4.39	4.39	8.55	3.29	4.61	1.53
	NP	5.48	3.04	3.57	7.14	4.29	5.18	1.8
Extreme poor	PCP	9.39	11.84	8.77	14.91	13.82	9.21	10.28
	NP	9.92	11.07	5.36	13.93	11.43	14.82	9.87
Extreme vulnerable poor	PCP	58.48	64.91	56.58	35.75	27.41	15.35	18.82
	NP	57.44	65.71	59.64	43.04	41.43	27.86	27.47

[1]PCP (PRIME Participant) and NP (Non-PRIME Participant)

reduced by 39.66 percentage points compared to 29.99 in the NP group. This progress was achieved despite two major floods in 2015. This certainly suggests that the PCP households had higher ability to cope with and recover quickly from shocks like food.

FIGURE 54 Incidence of poverty among PCP and NP HHs



IMPACT OF PRIME ON MULTIDIMENSIONAL POVERTY

The Multidimensional Poverty Index (MPI), as proposed by Alkire and Foster (2007) was measured as the adjusted headcount ratio Mo=HxA in which Mo=MPI=Multi-dimensional Poverty Index; H=percentage of the people who are MPI poor (incidence of poverty) and A=Average intensity of MPI poverty across the poor. The measurement had five dimensions and 20 indicators based on the socio-economic characteristics of our sample. The five dimensions were Food poverty, Health, Education, Living Standard, and Access to Social Security. All indicators in each dimension were given equal weight. Similarly, all dimensions had an equal weight of 1/5 each.

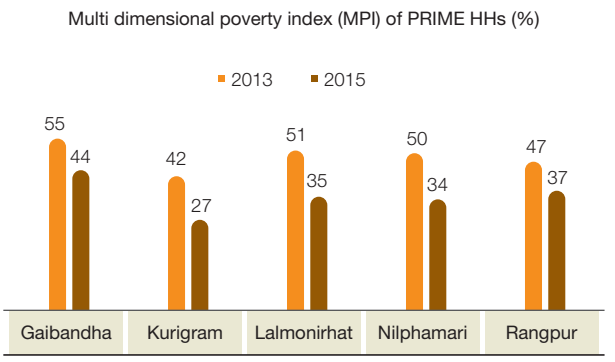
Despite adverse impacts of flood on income poverty, the percentage of multi-dimensionally poor households decreased from the level of 79% in 2013 to 63% in 2015 (Table 21). Among the NP HHs, the MPI level also decreased from 91% in 2013 to 78% in 2015. The overall MPI estimated for the PCP households reduced to 33% in 2015 from 43% in

Table 21: PRIME 2013 results by status at poverty cut-off (k = 35)

Status	2013			2014-15		
	H	A	MPI	H	A	MPI
PRIME participants (PCP)	79.19	0.54261	42.97	62.97	0.522183	32.88
Non-PRIME participants (NP)	90.8	0.636064	57.75	77.74	0.551187	42.85

2013. A similar trend was observed in the NP group as well. However, the decreases in MPI were 11, 15, 16, 16 and 10 percentage points respectively for Gaibandha, Kurigram, Lalmonirhat, Nilphamari and Rangpur (Figure 55).

FIGURE 55 District-wise multi-dimensional poverty index of PRIME HHs in 2013 and 2015



IMPACT OF PRIME ON HUMAN DIGNITY

The impact of PRIME on human dignity was measured in terms of latent score of empowerment, following the framework of Sen. The four dimensions of human dignity included social status in the community, decision-making authority at the household level, women's status in the community, overall awareness, respect and dignity. The observed results are presented in Figure 56 and 57.

- First, the average latent score was higher for PRIME participants (3.137) than the non-PRIME participants (2.764; Figure 56). Within the PRIME participants, human dignity was the highest among the graduated households (3.156) followed by transient (3.018) and vulnerable (2.843) (Figure 57).
- Second, no significant impacts of PRIME on the household-level decision-making was found either by participation status or by poverty status.
- Third, the programme had positive impacts on the status on women in the community. The PCP households had higher status of women compared to the NP households. It was statistically significant.
- Fourth, households could effectively access different opportunities and institutions if they had sufficient information and were aware of the effectiveness of the programme.

All these results tend to suggest that the PRIME households had higher self-esteem and dignity. Access to training, technical assistance, health, education along with other economic outcomes made larger impacts on human dignity.

FIGURE 56 Mean human dignity measured as latent score of empowerment by programme participants

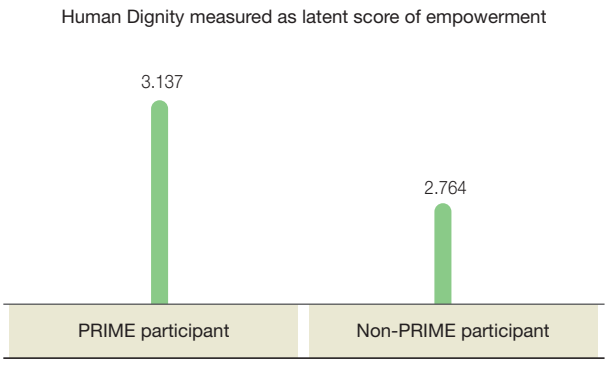
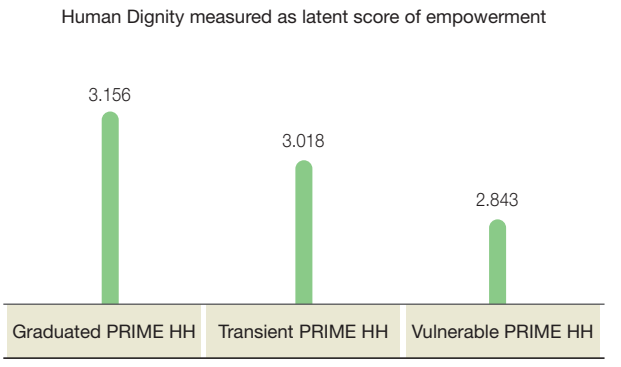


FIGURE 57 Mean human dignity measured as latent score of empowerment by different categories of PRIME participants



POLICY IMPLICATION

- The adverse impacts of 2015 flood was minimal on the PRIME participants. In fact, multi-dimensional poverty declined in 2015 from the 2013 level.
- The PRIME contributed to improving social status of the participants.
- Not all households gained. Some vulnerable households were worse off. Similarly, some moderately poor households could not cope with the adverse impacts of flood.
- The PKSF needs to introduce multi-faceted programmes that will allow households to engage in multiple economic activities, and thereby reducing risks during a covariate shock.
- The PRIME credit plus households could overcome adverse effects of flood due to their higher ability to cope. This came from the fact that these households had higher annual income. Non-financial services contributed to it. Therefore, the PKSF needs to bolster the non-financial services.
- Micro-insurance of economic activities need to be developed. This, however, needs to be examined as part of some integrated financial package.
- Given the diverse characteristics of the poor households, no 'uniform product set' can be feasible for every household. This is particularly true for the female-headed households. The PKSF needs to develop alternate financial and non-financial products to address the needs of different groups of households.

It is concluded that economic outcomes were affected by flood in 2015. But flood never could take them back to the square one. In 2008, some 30 percent of the households could have three meals during monga. In 2015, despite flood, more than 60 percent could manage three full meals for their households. They could do it because of their accumulated financial wealth and involvement in off-farm economic activities.

PART-E

LEARNING AND INNOVATION FUND TO TEST NEW IDEAS (LIFT)

LEARNING AND INNOVATION FUND TO TEST NEW IDEAS (LIFT)

The PKSF floated the 'Learning and Innovation Fund to Test New Ideas (LIFT)' programme in 2006 with its own fund. A year later, the DFID joined in through Promoting Financial Services for Poverty Reduction (PROSPER) programme, which continued till June 2012. Since the DFID's withdrawal from the LIFT, the PKSF has been continuing the programme on its own.

The LIFT supports all types of innovative development initiatives (product/process/services) that reduce extreme poverty. The LIFT encourages and patronises innovative financial and non-financial initiatives intended to benefit the poor through the improvement of their livelihood, generation of sustainable environment and development of health and education and help develop new tools for poverty eradication. The LIFT fund is open for both Partner Organisations (POs) and non-Partner Organizations in order to experiment and implement the pro-poor innovative ideas on a large scale. The LIFT was created to fund such ventures with grant and subsidised loan support, and subsequently to promote scaling up of the successful ventures. So far, the LIFT has funded 50 initiatives through 65 organisations, of which 47 are PKSF POs and the rest are non-POs.

OBJECTIVES OF LIFT

1. To encourage innovation of financial/non-financial products (goods and services) to be used by the poor;
2. To increase the uptake of financial services/products that provide a route out of poverty and a safety net for those vulnerable to poverty in future;
3. To encourage subsidy and cross-subsidy systems to allow financial access to the poorest;
4. To accelerate various types of pro-poor innovative ventures of the organisations so that the poor can be benefited directly/indirectly;
5. To provide support to organisations to undertake employment generation ventures for the poor and the ultra-poor throughout the year, especially during off-seasons to combat emergency situations;
6. To reduce financial service delivery costs through the use of technology and super-efficient processes and promoting technology-based remittance services;
7. To provide the MFIs with non-loan knowledge services which they later would disseminate among the target communities.

LIFT VENTURES

The LIFT only focuses on pro-poor innovative venture. The programme considers innovation as an incremental or radical development in products or services, processes, marketing or organizations so as to improve the quality of life, create continued economic and employment prospects and increase productivity, livelihood, health, education, social and other living environment of the poor people.

Briefly, the LIFT innovation applies to:

- Creative solutions that are new, recurrently enhanced and superior to previous methods;
- Cost effective and eco-friendly initiatives;
- Initiatives targeting optimised utilisation of natural resources;
- Pro-poor initiatives;
- Scalable and globally replicable initiatives.

Ideally, the LIFT also supports proven ideas and activities having widespread appeal for the benefits of the poor but are not supported/scaled up by the public or private sector because of its associated risks and low profit nature.

The programme provides financial, technical and technological support for implementing innovative projects. This fund is equally accessible to the PKSF POs and other individuals or organizations (non-POs). The interested organizations/individuals submit applications to the PKSF in the prescribed format.

PROGRESS OF LIFT PROGRAMME

Progress of LIFT – Up to 2012 (DFID involvement period)

Up to June 2012, the LIFT supported a total of 35 initiatives across the country through 40 organizations (23 POs and 17 non-POs). A PKSF-conducted evaluation shows that some of the activities have the potential to change the economic status of extreme poor. These are (i) production and utilization of vermi-compost (by GKSS), (ii) establishment of Black Bengal goat sfarm for poverty alleviation (by WAVE Foundation), (iii) production of export quality handicrafts to eradicate monga (by SDRS); (iv) manufacture, supply and application of urea super granule (by SOJAG); (v) alternative microcredit in Haor areas (by PMUK); (vi) char land lease loan programme (by RDRS); and (vii) production of Omanian cap in order to eradicate Monga (SDRS).

Progress of LIFT – during 2012-16 (PKSF alone)

Since the completion of funding by the DFID, the PKSF continued the LIFT activities with the available DFID fund and seed money of BDT 100 million earlier contributed by the PKSF. As of June 2016, the LIFT supported a total of 50 innovative initiatives across the country through 65 organizations (47 POs and the rest are non-POs). These included replication or scaling up of initiatives that proved to be effective in reducing poverty, inequality and vulnerability. Following are some of the LIFT-supported demand-driven activities:

Climatic change adaptation related

a) Ensuring safe drinking water to poor communities of salinity-prone areas.

b) Production, processing and marketing of salinity-tolerant rice seeds, especially suitable for salinity-prone areas.

c) Production, processing and marketing of drought-tolerant rice seeds, especially suitable for drought-prone areas.

d) Accelerating privileges for natural breeding of eel fish and creating employment and income opportunities for coastal poor communities through household-level eel fish culture.

Livelihood improvement and value chain development of farming activities

e) Livelihood improvement and employment generation of poor and marginal farmers through dairy farming, using modern scientific techniques.

f) Employment and income generation of poor families in drought-prone areas through community-level and household-level sheep farming.

Community information dissemination

g) Community-level information dissemination through community radios for economic, social and environment knowledge dissemination.

Improving livelihood for vulnerable section of community

h) Improving elderly people's livelihood through community initiative.

i) Ensuring sustainable livelihood for people with disabilities through inclusive development.

LIFT impacts since 2012 extension

Following a DFID evaluation in July 2012, the PKSF restructured the modalities of the LIFT in terms of selection of activities, intervening LIFT activities to

deepen the PRIME impacts, create employment, increase income of the extreme poor and augment social impacts. Examples of some impacts of the LIFT interventions are given below.

a) LIFT success in financial product development: The LIFT helped increase income of the extremely poor through rearing of Black Bengal goats, using scientifically proven methods to increase yield and reduce diseases, ultimately leading to the enhancement of family assets. In doing so, the LIFT has developed a separate financial product called 'Goat Loan', especially designed to meet the production cycle of goats and the ability of goat farmers. The land leasing programme under the LIFT has significantly increased crop productivity and income. These products and processes help not only the PRIME participants but also other poor families in increasing their income and household assets and finding more gainful employment. Introduction and promotion of urea super granule (USG) has increased rice yield, reduced the extent of N-fertilizer use in farmlands, brought down rice production cost, and reduced environmental pollution. Poor HHs in the Haor area are generally left out of any formal financial services due to inaccessibility. The LIFT has developed CBO-based alternative micro-finance products for the extreme poor living in Haor areas, which has opened new development windows for this area.

b) LIFT value chain development for livestock products and by-products: Dairy value chain-based interventions of the LIFT offers financial, technical and market-based dairy production assistance that

ensure financial growth and improved nutrition supply for poor households in Panchagarh district. To cater to the demand for quality heifers for starting dairy units by farmers, the LIFT has established a dairy cow breeding farm in Bogra district that supplies quality dairy heifers with the potential to yield 20kg+ milk per day. Training on profitable dairying also is provided. The programme has initiated conservation and improvement of Red Chittagong Cattle (RCC) in Chittagong area. The RCC known as the 'family cow' of small farmers is an efficient breeder, better milk and meat yielder than the native cow breeds in general. The RCC also can withstand harsh conditions. But this high value genetic resource is now on the verge of extinction. The LIFT initiative is helping in community-based in-situ conservation and improvement of the RCC. LIFT innovation of processing of farm waste by using earthworms (for producing vermi-compost) has changed the fortune of many poor farmers under the PRIME, and also increased opportunity of organic-farming with improved soil health and reduced pollution.

c) LIFT climatic shock-resilient livelihood activities: The LIFT is playing an important role in developing climate-resilient livelihood options. With the increasing salinity level in south-western coastal area due to rising sea-level and other climatic shocks, access to safe drinking water has become an elusive luxury for millions of costal poor people. Desalination plants have been installed under this programme to ensure sustainable access to safe drinking water by poor households in salinity-prone Satkhira district at an affordable price. Under another LIFT initiative, the PKSF has introduced cultivation and promotion of salinity-tolerant rice varieties. It has already brought many previously fallow farmlands under rice cultivation and increased rice production in the salinity-affected Satkhira.

d) Social welfare for disabled, elderly and destitute: The LIFT has introduced inclusive education for poor children with disability in Lalmonirhat. This initiative helped these underprivileged children gain access to mainstream education, and enabled them to develop their skills in different vocational trades for creating their future livelihood. Under another initiative, the LIFT has introduced inclusive financing, capacity building and social awareness advocacy programme for the disabled poor in Sitakunda area of Chittagong. For elderly people, the LIFT has a programme titled 'Improving elderly people's livelihood through community initiative' in Munshiganj. Under this initiative, poor elderly people are provided with financial services (grant and loan), and capacity building and healthcare services aimed at keeping this elderly fit and able to earn by themselves through appropriate income generating activities. These led them to enjoy a respectable status both in their families and the society they live in. It also helped develop community-level para-physiotherapist to provide services to elderly people. The LIFT also had an initiative for building human capacity and financial capacity of Dalit women (cleaners) of Dhaka city through providing education and training on production of handicrafts. It helped them and their children gain access to job market that offers both

the mainstream jobs and the specialised ones suitable for them. The LIFT has undertaken another initiative for rehabilitation of girls/women victimised by abuses in Barguna district. Initially, traumatised victims receive physical treatment (if needed) together with psychological therapy, which is then followed by capacity building training on computer use, garments manufacturing and other related trades. Besides, it organises awareness campaigns, seminars, symposiums and special events on women and children abuse in the locality.

Progress of LIFT in 2016

LIFT fund and its use

The LIFT programme was initiated with Tk 100 million contributed by the PKSF in 2006. Then the DFID contributed Tk 270.1 million (GBP 2.35 million) as grant during 2007-2012, of which Tk 19 million was used as operational cost, Tk 17.7 million as grant to LIFT initiatives and remaining Tk 233.4 million was disbursed as soft loans to different LIFT initiatives. The objective of such soft loans was to help innovate sustainable poverty alleviation models and to create a fund that can sustainably be used for future LIFT initiatives. Out of the DFID fund of Tk 233.42 million used as soft loan, Tk 17. 07 million was written-off as bad-loan. As the DFID had a different view on this, they stopped LIFT funding after June 2012. The PKSF, however, continued the LIFT activities with its own fund, as stated earlier.

In 2016, the DFID recommended that the DFID's portion of the LIFT fund be used as grant. As per the consensus with the DFID, the PKSF has started using Tk 216.35 million of the DFID fund as revolving fund in the form of grant to innovative new LIFT initiatives in the next five years after June 2016. The PKSF disbursed the entire amount as grant under different LIFT initiatives.

GRANT FOR SPECIALISED LIFT ACTIVITIES

Ensuring sustainable production and availability of potable water for poor households in salinity-prone south-western coastal areas

Salinity intrusion with rising sea level has resulted in an acute scarcity of potable water in many parts of south-western coastal districts namely Shatkhira, Khulna, Bagherhat, Barguna and Patuakhali. The crisis gets worse during the dry period. Poor people are the worst victim of the situation. Rainwater available during the monsoon can be stored for use during the dry period but unavailability of storage facilities makes it unviable, forcing the poor to drink saline-contaminated water and face health risks. Against this backdrop, the PKSF took an initiative to increase potable water availability among the poor people of the area through the PRIME, the LIFT and other relevant projects of the PKSF. After super cyclones Aila and Sidr in the coast areas, the PKSF distributed 130,000-litre potable water daily for about six months to the poor households free of cost through the PRIME. It also distributed 5,600 water tanks in these areas for preserving rainwater under an emergency loan programme (Sahos). For ensuring sustainable potable water supply to these salinity-prone areas, the PKSF has already piloted reverse osmosis-based desalination plants in Shyamnagar Upazila of Satkhira by NGF (a PKSF PO) and Dacope upazila of Khulna by Ad-din (another PO). This model ensures continuous supply of potable water at a nominal price (BDT 0.5/lit) to poor households. It also supplies water to non-poor people, but at a relatively high rate (BDT 1.0/lit) which still is much lower than the market price. This cross-subsidisation makes the model sustainable and provides better potable water supply service to the coastal communities. Encouraged by the success of initial piloting, the PKSF has granted Tk 48 million for setting up 17 electricity-run desalination plants and 2 solar-powered desalination plants by 12 POs in five salinity-prone districts (Khulna, Satkhira, Bagerhat, Patuakhali and

Barguna) of the south under the LIFT initiative titled 'Sustainable production and community level availability of potable water at a cheaper price in salinity prone coastal areas' (Table 22). These grants were distributed through a special workshop on 20 June 2016 in the PKSF Auditorium. Chaired by Dr Qazi Kholiquzzaman Ahmad, Chairman of PKSF, the workshop focused on the problems associated with potable water crisis in saline prone areas. Grants were also given to some special LIFT initiatives through the workshop. The Managing Director, the Deputy Managing Directors and other relevant officers of the PKSF, executive directors of PKSF POs and local government representatives from different unions of the southern districts attended the workshop.

Table 22: Grant for setting up desalination plants in salinity-prone south-western coastal region of Bangladesh

Sl. No	PO	District	Upazila	Union	Grant (million Tk)
1	Nowabenki Gonomukhi Foundation (NGF)	Khulna	Koyra	Moheshwaripur	2.30
	Nowabenki Gonomukhi Foundation (NGF)	Khulna	Koyra	Moheshwaripur	2.30
2	Jagorani Chakra Foundation (JCF)	Satkhira	Shayamnagar	Ishwaripur	2.30
3	Unnayan Prochesta	Satkhira	Ashashuni	Anuliya	2.30
4	Unnayan	Satkhira	Ashashuni	Shuvnali	2.30
5	HEED Bangladesh	Khulna	Dacope	Chalna	2.30
	HEED Bangladesh	Khulna	Dacope	Chutarkhali*	4.45
	HEED Bangladesh	Bagerhat	Mangla	Haldibuniya	2.30
6	Ad-din Welfare Centre	Khulna	Dacope	Banishanta*	4.45
	Ad-din Welfare Centre	Khulna	Dacope	Tildanga	2.30
7	Rural Reconstruction Foundation	Bagerhat	Morelgonj	Daibagahati	2.30
	Rural Reconstruction Foundation	Bagerhat	Rampal	Rampal	2.30
8	UDDIPAN	Potuakhali	Kolapara	Nilgonj	2.30
9	Resource Integration Center (RIC)	Bagerhat	Sharankhola	Khontakata	2.30
10	CODEC	Barguna	Patharghata	Charduani	2.30
	CODEC	Potuakhali	Kolapara	Kuakata Paurashova	2.30
11	Nabolok Parishad	Bagerhat	Rampal	Baintala	2.30
	Nabolok Parishad	Bagerhat	Sharankhola	Rayendabazar	2.30
12	Dak Diye Jai	Bagerhat	Morelgonj	Bahurbuniya	2.30
	Total				**48.00**

Distribution of rainwater-preserving tanks free-of-cost to PRIME extreme-poor households in coastal areas

Preserving rainwater for drinking during the dry season is a common practice in the coastal region. However, holding sufficient rainwater has always been a challenge, especially for the poor. The LIFT provided 2,000 plastic tanks, each with a capacity of 1500 litres, to the extreme poor households of salinity-prone south-western coastal region of Bangladesh. These tanks were distributed through nine POs at a total cost of Tk 28 million (Table 23).

Table 23: Grant for distributing water tanks in salinity-prone south-western coastal region of Bangladesh

Sl. No	PO	Working Area	No. of water tanks	Grants (in million Tk.)
1	Nowabenki Gonomukhi Foundation (NGF)	Satkhira (Gabura, Patakhali, South Bedkashi, Koyra and Gilabari)	400	5.60
2	Jagorani Chakra Foundation (JCF)	Satkhira (Vetkhali, Bongshipur, Nurnagar)	200	2.80
3	Satkhira Unnayan Shangtha (SUS)	Satkhira (Tala)	125	1.75
4	Unnayan Prochesta	Satkhira (Kadakati, Goaldanga, Khajra)	125	1.75
5	Unnayan	Satkhira (Ashashuni, Shovnali, Bisnupur, Moutala)	225	3.15
6	HEED Bangladesh	Khulna (Dacope, Noliyan, Kamarkhola, Bajua)	400	5.60
7	Ad-din Welfare Centre	Khulna (Chalna, Laodob, Botbuniya)	250	3.50
8	UDDIPAN	Patuakhali (Kuakata, Charkajal, Dashmina, Haldiya, Awliyapur, Baherchar)	150	2.10
9	Sangram	Barguna (Golachipa, Katakhali, Chiknikandi, Gochani bazar)	125	1.75
	Total		**2,000**	**28.00**

Grants for technical assistance for scaling up/replication of LIFT initiatives with visible impacts

Grants have been provided for technical assistance for scaling up/replication of selected LIFT initiatives that have already made visible impacts on lives and livelihoods of the extreme poor. Thirteen such initiatives have been scaled up and/or replicated through 14 organizations (both POs and non-POs) and a total of Tk 47.6 million disbursed to these organizations (Table 24).

Table 24: Grants for technical assistance for scaling up/replication of proven LIFT initiatives

Sl.	Initiatives	PO	Grants (in million Tk.)
1	Laugh not cry	Faria Lara Foundation	2.50
2	Ensuring sustainable livelihood for disable people through inclusive development	Young Power in Social Action (YPSA)	3.56
3	Accelerating Privileges for Natural Breeding of Kuchia and Creating Employment Opportunity of Poor People through Household based Kuchia Farming	Unnayan	2.50
		HEED Bangladesh	1.30
		Nowabenki Gonomukhi Foundation (NGF)	2.50
4	Livelihood Improvement and Employment Generation of Poor and Marginal Farmers through Rearing Cows and Increasing Productivity with Modern Technique	Unnayan	2.50
5	Livestock Development Programme through Contract Farming	Gram Unnayan Karma (GUK)	7.50
6	Alternative Micro-credit Initiatives for the Extremely Poor of Haor Areas	Padakhep Manobik Unnayan Kendra (PMUK)	5.00
7	Production and Marketing of Vermi-compost to Improve Disastrous Farm Waste Management in Dairy Cluster of Zeala in Satkhira District	Unnayan Prochesta	1.50
8	Genetic Improvement, Conservation and Dissemination of Red Chittagong Cattle	Integrated Development Foundation (IDF)	1.50
9	Develop Integrated Farming System in Hilly areas through Technology Transfer	Integrated Development Foundation (IDF)	2.50
10	Indigenous Fish Culture through Cluster Approach	Self-Help and Rehabilitation Programme (SHARP)	4.00
11	Improvement of Livelihoods of Small Ethnic Communities through Integrated Alternative Occupation	Gram Bikash Kendra (GBK)	1.50
12	Technical Skill & Capacity Development of Underprivileged Girls	Female Academy	4.00
13	Employment Generation of Poor People through Establishment of Black Bengal Goat Breeding Farm and Development of its Breeding Stock	HEED Bangladesh	0.95
		RDRS Bangladesh	3.00
14	Small scale production and marketing of turkey as an alternative livelihood	HEED Bangladesh	1.29
	Total		**47.60**

Disbursement of previously approved grants in one instalment

There have been provisions for grants for technical services in all LIFT initiatives in addition to its soft loan component. These previously approved grants of Tk 48.29 million under 11 different LIFT initiatives of 24 POs used to be disbursed on reimbursement basis. As per the DFID requirements, the entire amount was disbursed to the POs in June 2016 (Table 25) in a single instalment.

Table 25. PO-wise disbursement of previously approved grant in one installment

Sl. No	Name of Initiatives	Name of PO	Grant Disbursement (in million Tk)
1	Laugh not cry	Faria Lara Foundation	1.15
2	Ensuring sustainable livelihood for disable people through inclusive development	Young Power in Social Action (YPSA)	2.30
3	Improving Older Peoples Livelihhod through Community Initiative	Resource Integration Center (RIC)	1.88
4	Accelerating Privileges for Natural Breeding of Kuchia and Creating Employment Opportunity of Poor People through Household based Kuchia Farming	Unnayan	1.02
		Nowabenki Gonomukhi Foundation (NGF)	1.02
5	Employment Generation of Poor People through Establishment of Black Bengal Goat Breeding Farm and Development of its Breeding Stock	WAVE Foundation	3.34
		JAKAS Foundation	1.00
		Eco-Social Development Organization (ESDO)	3.34
		Proyas Manobik Unnayan Society	1.56
		Self-Help and Rehabilitation Programme (SHARP)	1.56
		Ad-din Welfare Centre	3.34
		HEED Bangladesh	2.79
		Shataful Bangladesh	2.79
		New Era Foundation	2.79
		Mohila Bohumukhi Sikha Kendra (MBSK)	2.79
		PROTTYASHI	2.79
6	Employment Generation of Poor People through Establishment of Sheep Breeding Farm and Development of its Breeding Stock	WAVE Foundation	1.81
7	Livelihood Improvement and Employment Generation of Poor and Marginal Farmers through Rearing Cows and Increasing Productivity with Modern Technique	People's Oriented Program Implementation (POPI)	1.47
		Society for Social Service (SSS)	1.47
		Programme for Community Development (PCD)	1.47
		Unnayan Prochesta	1.44
8	Genetic Improvement, Conservation and Dissemination of Red Chittagong Cattle	Integrated Development Foundation (IDF)	1.09
9	Alternative Micro-credit Initiatives for the Extremely Poor of Haor Areas	Padakhep Manobik Unnayan Kendra (PMUK)	2.21
10	Production, Processing & Marketing of Salt-tolerant Variety of Rice Seed	Jagorani Chakra Foundation (JCF)	1.22
11	Production, Processing & Marketing of drought-tolerant Variety of Rice Seed	WAVE Foundation	0.65
	Total		**48.29**

Grant for creating revolving fund for innovative initiatives

The LIFT allocated grants for conducting innovative initiatives, especially for farming (crop, livestock and fisheries), that would lead to poverty alleviation. Tk 40 million has been disbursed to eight selected POs as grants. The POs using this grant will revolve this fund for sustainable operation of the innovative/new farming initiatives at the poor member level (Table 26). The activities under these initiatives are now ongoing.

Table 26: PO-wise disbursement of grants for creating revolving fund

Sl	POs	Grant disbursement (in million Tk)
1	Self-Help and Rehabilitation Programme (SHARP)	5.00
2	RDRS Bangladesh	5.00
3	JAKAS Foundation	6.50
4	Padakhep Manabik Unnayan Kendra	10.00
5	WAVE Foundation	5.00
6	Shataful Bangladesh	2.50
7	Gram Bikash Kendra	1.00
8	People's Oriented Program Implementation (POPI)	5.00
	Total	**40.00**

SPECIAL EVALUATION OF PROSPER (PKSF)

The PRIME has evolved as a successful extreme poverty alleviation model. Similarly, innovative LIFT initiatives have been instrumental to poverty alleviation efforts of the PRIME and other programmes of the PKSF. Both these programmes, launched under DFID-funded PROSPER project, are now considered as flagship programmes of the PKSF and the DFID. To capture lessons of these projects together with documentation of other activities, the PKSF has undertaken an evaluation programme titled Sustainable transformation out of extreme poverty: Pathway Analysis of Promoting Financial Services for Poverty Reduction (PROSPER) Programme of PKSF. This evaluation was conducted by Innovision Consulting Private Limited.

Top officials of DFID Bangladesh visiting a PROSPER activity site at Shyamnagar in Satkhira in November 2015.

CONCLUSION

The activities implemented under the LIFT are playing important roles in reducing vulnerability of the economically vulnerable, climatically challenged and socially disadvantaged sections of people. These initiatives improve farm and off-farm-based value chain and business development services to create employment opportunities and increase income for the poor. The activities also ensure access of the remote communities to information.

The LIFT is contributing to accelerated extreme poverty elimination process that will eventually help Bangladesh achieve the Sustainable Development Goals (SDG), especially Goal 1, 2, 3, 5, 6, 13, 14 and 15. Continuity of the LIFT activities is expected to institute a robust

mechanism to select innovative activities which will primarily focus on employment creation, income generation and technology dissemination.

The list of LIFT-funded initiatives since inception is given in Annex B.

ANNEX

ANNEX A

Partner Organizations (POs) that implemented PRIME in 35 upazilas of Rangpur Division, 12 upazilas under Khulna and Barisal divisions and 3 upazilas under Dhaka division

Partner Organizations (POs)	District(s) covered	Upazilas Covered	Number of Branches	Unions Covered
PRIME (North)				
Eco-Social Development Organization (ESDO)	Nilphamari, Gaibandha and Lalmonirhat	8	29	43
RDRS Bangladesh	Kurigram, Nilphamari and Lalmonirhat	15	53	66
TMSS	Kurigram, Rangpur, Gaibandha and Lalmonirhat	10	26	41
SKS Foundation	Gaibandha and Rangpur	8	34	45
Gram Unnayan Karma (GUK)	Gaibandha	2	4	6
People's Oriented Programme Implementation (POPI)	Nilphamari and Lalmonirhat	3	4	12
UDDIPAN	Kurigram, Rangpur	6	18	28
Society for Social Services (SSS)	Rangpur and Kurigram	4	9	13
Samakal Samaj Unnayan Sangstha (S-SUS)	Rangpur	2	4	9
Self-Help and Rehabilitation Programme (SHARP)	Nilphamari	1	4	5
Gram Bikash Kendra (GBK)	Rangpur and Nilphamari	3	5	9
Bangladesh Extension Education Services (BEES)	Rangpur and Gaibandha	2	6	8
Jagoroni Chakra Foundation (JCF)	Rangpur	3	6	12
All 13 Pos	Rangpur, Gaibandha, Nilphamari, Lalmonirhat and Kurigram	35	202	297
PRIME (South)				
Ad-Din Welfare Center (Ad-Din)	Khulna	1	3	5
Community Development Centre (CODEC)	Potuakhali	2	10	16
CARSA Foundation	Barisal	2	6	14
HEED Bangladesh (HEED)	Khulna	1	4	5
Jagoroni Chakra Foundation (JCF)	Satkhira	4	11	16
Noawbenki Gonomukhi Foundation (NGF)	Khulna, Satkhira	3	9	14
Progress	Jamalpur	3	5	8
Sajida Foundation	Jamalpur	3	10	11
Sangathita Gramaunnaon Karmasuchee (Sangram)	Potuakhali, Barguna	4	13	20
Satkhira Unnayan Sangstha (SUS)	Khulna, Satkhira	3	9	9
Society for Social Services (SSS)	Jamalpur	3	5	9
Uddipan	Patuakhali, Barguna	4	10	18
Unnayan – A Socio-economic Organization	Satkhira	2	5	10
Unnayan Prochesta	Satkhira	2	7	8
All 14 Pos	Barisal, Barguna, Jamalpur, Khulna, Satkhira, Patuakhali	**15**	**107**	**163**
Total 24 Pos	Rangpur, Gaibandha, Nilphamari, Lalmonirhat, Kurigram, Satkhira, Khulna, Potuakhali and Jamalpur	**50**	**309**	**460**

ANNEX B

LIFT-Funded Initiatives since Inception

Sl.	Project Title	Implementing Organization	Operating Area and Inception Year
1	Micro Entrepreneur Development in Fish Culture	Jagorani Chakra Foundation (JCF)	Jessore, December 2007
2	Poor Friendly Agriculture Support Project	Jagorani Chakra Foundation (JCF)	Jessore, December 2007
3	Seed Bank through Tissue Culture Technology	Gono Kallan Trust (GKT)	Manikganj December, 2007
4	Uplifting of Living Standard of Under-privileged Women in the Southern Region through Producing and Marketing of Nata-De-Coco as an Import Substitute of Bangladesh	Habitat & Economy Lifting Programme (HELP)	Bagerhat March 2008
5	Uplifting of Living Standard of Under-privileged Women in the Southern Region through Producing and Marketing of Coir Yarn as an Import Substitute of Bangladesh	Habitat & Economy Lifting Programme (HELP)	Bagerhat March 2008
6	Livestock Development Programme through Contract Farming	Gram Unnayan Karma (GUK)	Bogra November 2008
7	Employment Generation for the Poor People through Establishment of Rabbit Breeding Center	Jalal Nagar Development Programme (JNDP)	Mymensingh, August 2009
8	Inclusive Education for Disabled Children	Manoshika	Lalmonirhat December 2009
9	Production and Utilization of Tricho-compost	Grameen Krishok Sahayak Sangsthya (GKSS)	Bogra, February 2011
10	Production, Processing & Marketing of drought-tolerant Variety of Rice Seed	Wave Foundation	Chuadanga July 2015
11	Accelerating Privileges for Natural Breeding of Kuchia and Creating Employment Opportunity of Poor People through Household based Kuchia Farming	Nowabenki Gonomukhi Foundation (NGF) Unnayan	Satkhira September 2015
12	Improving Older Peoples Livelihhod through Community Initiative	Resource Integration Center (RIC)	Munshiganj September 2015
13	Ensuring sustainable livelihood for disable people through inclusive development	Young Power in Social Action (YPSA)	Chittagong September 2015
14	Genetic Improvement, Conservation and Dissemination of Red Chittagong Cattle	Integrated Development Foundation (IDF)	Chittagong August 2014

ANNEX B

Sl.	Project Title	Implementing Organization	Operating Area and Inception Year
15	Distribution of Water Tank to the Extreme Poor for harvesting Rain Water in Salinity Prone Area	Nowabenki Gonomukhi Foundation, Addin Welfare Center, Jagoroni Chakra Foundation, Unnayan Prochesta, Unnayan, Heed Bangladesh, Uddipan, Sangram, Satkhira Unnayan Sangstha (SUS)	Satkhira, Khulna, Barguna, Patuakhali June 2016
16	Develop Integrated Farming System in Hilly areas through Technology Transfer	Integrated Development Foundation (IDF)	Khagrachhari June 2016
17	Improvement of Livelihoods of Small Ethnic Communities through Integrated Alternative Occupation	Gram Bikash Kendra (GBK)	Dinajpur June 2016
18	Indigenous Fish Culture through Cluster Approach	Self-Help and Rehabilitation Programme (SHARP)	Nilphamari June 2016
19	Production and Marketing of Vermi-compost to Improve Disastrous Farm Waste Management in Dairy Cluster of Zeala in Satkhira District	Unnayan Prochesta	Satkhira June 2016
20	Technical Skill & Capacity Development of Underprivileged Girls	Female Academy	Sunamganj June 2016
21	Laugh not cry	Faria Lara Foundation	Barguna June 2016
		Upscaled Projects - 8	
22	Alternative Micro-credit Initiatives for the Extremely Poor of Haor Areas	Padakhep Manobik Unnayan Kendra (PMUK)	Kishoreganj, Habiganj, Sunamganj, January 2009
23	Employment Generation for the Poor People through Handmade Paper and Preparing Ornamental Products by Using Recycled Craft	Jalal Nagar Development Programme (JNDP)	Mymensingh, December 2009
24	Production and Utilization of Vermi-compost	Grameen Krishok Sahayak Sangsthya (GKSS)	Bogra, January 2009
25	Ensure, Manufacture, Supply and Use of Urea Super Granule	Somaj-O-Jati Gathan (Sojag)	Dhaka, January 2009
26	Production of Export Quality Omanian Cap to Eradicate Monga	Samaj Unnayan Palli Sangstha (SDRS)	Gaibandha, January 2010
27	Production of Export Quality Handicraft in order to Eradicate Monga	Samaj Unnayan Palli Sangstha (SDRS)	Gaibandha, January 2011
28	Generating Employment and Income through Contract Farming, Cow Rearing and Market Linkage	Kazi Shahid Foundation	Panchagarh, December 2012
29	Production, Processing & Marketing of Salt-tolerant Variety of Rice Seed	Jagorani Chakra Foundation (JCF)	Satkhira, November 2012

ANNEX B

Sl.	Project Title	Implementing Organization	Operating Area and Inception Year
		Replicated Projects - 6	
30	Employment Generation of Poor People through Establishment of Black Bengal Goat Breeding Farm and Development of its Breeding Stock	Wave Foundation, Jakas Foundation, JCF, IDF, POPI, ESDO, GBK, PRAYAS, SHARP, Addin Welfare Center, Heed Bangladesh, Shataful Bangladesh, New Era Foundation, Mohila Bohumukhi Sikha Kendra (MBSK), Prottyashi	Chuadanga, Jessore, Joypurhat, Khagrachhari, Kurigram, Lalmonirhat, Dinajpur, Chapainawabganj, Nilphamari, Moulvibazar, Rajshahi, Pabna, Dinajpur, Chittagong, Gaibandha January 2008, December 2012, January 2013, January 2014, September 2015
31	Employment Generation of Poor People through Establishment of Sheep Breeding Farm and Development of its Breeding Stock	Wave Foundation, Uddipan, SKS Foundation	Kurigram, Gaibandha, Meherpur January 2014, September 2015
32	Land Lease Loan Project	RDRS Bangladesh, Uddipan, Solidarity, SKS, PPSS, SDS, SDC, Sagarika, SDI, Coast Trust, NDP, GUK	Kurigram, Gaibandha, Faridpur, Shariatpur, Noakhali, Manikganj, Bhola, Sirajganj, Bogra January 2009, January 2011, January 2014, June 2014
33	Ensure Safe Drinking Water for Poor Participants of Salinity Prone Satkhira	Noawbenki Gonomukhi Foundation, Addin Welfare Center, Jagoroni Chakra Foundation, Unnayan Prochesta, Unnayan, Heed Bangladesh, Rural Reconstruction Foundation, Uddipan, Resource Integration Centre, Codec, Nobolok Parishad, Dak Dye Jai	Satkhira, Khulna, Bagerhat, Patuakhali, Barguna September 2013 & June 2016
34	Establishment of Community Radio Station	Srizoni Bangladesh, Young Power in Social Action (YPSA), Proyas Manobik Unnayan Society, SOJAG, SKS Foundation, Coast Trust, Dwip Unnayan Sangstha	Chittagong, Chapainawabganj, Jhenidah September 2011, November 2014
35	Livelihood Improvement and Employment Generation of Poor and Marginal Farmers through Rearing Cows and Increasing Productivity with Modern Technique	POPI, Society for Social Service (SSS), PCD, Unnayan Prochesta, Unnayan	Lalmonirhat, Kishoreganj, Pabna, Satkhira September 2015
		Other Projects - 14	
36	Aroni: Abode of Happiness for Monga Affected Women	Eco-Social Development Organization (ESDO)	Lalmonirhat, November 2007
37	TMSS Innovative Poultry Expansion Project	Thengamara Mohila Sabuj Sangha (TMSS)	Rangpur & Lalmonirhat December 2007

ANNEX B

Sl.	Project Title	Implementing Organization	Operating Area and Inception Year
38	Enhancing Sustainable Efforts of Poverty Reduction through Ecological Sanitation	Society for People's Action in Change and Equity (SPACE)	Bogra, Gaibandha, Joypurhat December 2007
39	Participatory Sustainable Primary Healthcare Linking with Microcredit	Dushtha Shasthya Kendra (DSK)	Dhaka & Netrakona January 2008
40	Upgradation of Life and Livelihoods of Female City Cleaners	Dhoritri Foundation for Information Education	Dhaka July 2008
41	Coconut Processing for Monga Eradication	Palli Bodhu Kallyan Sangstha (PBKS)	Gaibandha August 2008
42	Maintaining Irrigation Activities Using Electricity produced by CNG	Alor Dishari Sangstha (ADS)	Sirajganj, December 2008
43	Nothing to be Wasted	Aadi	Dhaka December 2008
44	Establishment of Small Holding Tea Gardens at Bandarban	National Agency for Green Revolution (NAGR)	Bandarban, April 2009
45	Pesticide-free Safe Food Production Technology Extension Programme	Safe Agriculture Bangladesh Ltd.	Bogra, Rangpur, Natore, Dinajpur, Lalmonirhat, Joypurhat June 2009
46	Production and Marketing of Tissue Culture based Orchid Seedling	Development of Biotechnology & Environment Conservation Centre (DEBTEC)	Tangail & Gazipur July 2009
47	Socio-economic Development of Poor People through Utilization of Local, Natural and Human Resources	Surja Shikha	Dinajpur July 2009
48	Use of Wasted Hides for Employment of Destitute Women	Jesh Foundation	Satkhira August 2009
49	Generating Local Economy through Utilization of Rice Husk Ash – a By-product of Rice Mills	Shikkha, Shastha Unnayan Karzakram (SHISUK)	Sirajganj, Natore and Pabna September 2009
		Project Cancelled - 1	
50	Microcredit for Income Generation through Rearing Improved Native Chickens.	ASPADA Paribesh Unnayan Foundation	Mymensingh August 2011

AUDIT REPORT

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

Independent Auditors' Report to the of General Body of
Palli Karma-Sahayak Foundation (PKSF)

We have audited the accompanying financial statements of "Programmed Initiatives for Monga Eradication (PRIME) and Learning and Innovation Fund to Test New Ideas (LIFT)" funded by DFID (UK aid) and implemented by Palli Karma-Sahayak Foundation (PKSF), which comprise the statement of financial position as at 30 June 2016 and the statement of comprehensive income and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

PKSF's management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of "Programmed Initiatives for Monga Eradication (PRIME) and Learning and Innovation Fund to Test New Ideas (LIFT)" implemented by Palli Karma-Sahayak Foundation (PKSF) as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and other applicable laws and regulations.

We also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of accounts as required by laws have been kept by PKSF so far as it appeared of those books; and

c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts.

Dated, Dhaka:
30 November 2016

MABS & J Partners
Chartered Accountants

A member of Nexia International

Corporate Office:
SMC Tower (7th Floor)
33, Banani C/A, Road 17
Dhaka-1213, Bangladesh
Phone : +88-02-9821057-58
: +88-02-9821365-66
E-mail : info@mabsj.com
Web : www.mabsj.com

Motijheel Branch Office :
21, Purana Paltan Line (4th & 7th Floor)
Dhaka-1000, Bangladesh
Phone : +88-02-58315469/58315471
Fax : +88-02-9332936
E-mail : info@mabsj.com
Web : www.mabsj.com

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
Statement of Financial Position
As at 30 June 2016

	Notes	As at 30 June 2016 Taka	2015 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,638,733	4,587,038
Loan to partner organizations (POs)	4	-	138,897,133
		3,638,733	**143,484,171**
Current assets			
Loan to partner organizations (POs)	4	-	123,042,437
Interest and other receivable		-	2,134,247
Service charge receivable	5	-	3,968,286
Grants receivable	6	81,287,441	-
Current account with other project and programme	7	-	773,910
Cash and cash equivalent	8	60,061,493	553,257,184
		141,348,934	**683,176,064**
Total assets		**144,987,667**	**826,660,234**
CAPITAL AND LIABILITIES			
Capital fund and reserve			
Grants	9	-	231,927,674
Retained surplus	10	33,869,229	169,648,781
		33,869,229	**401,576,455**
Non-current liabilities			
Deferred income (Grant for assets)	11	3,522,183	4,437,929
		3,522,183	**4,437,929**
Current liabilities			
Grants received in advance	12	-	132,078,595
Current account with PKSF	13	138,261	126,544,393
Current account with other projects	14	2,019,195	-
Other liabilities	15	105,438,799	140,843,425
Loan loss provision	16	-	21,179,438
		107,596,255	**420,645,851**
Total capital fund and liabilities		**144,987,667**	**826,660,235**

The annexed notes from 1 to 31 and Annexure A, B & C form an integral part of these financial statements

Golam Touhid
Deputy Managing Director

Md. Abdul Karim
Managing Director

Signed in terms of our separate report annexed.

Dated, Dhaka:
30 November 2016

MABS & J Partners
Chartered Accountants

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Statement of Income and Expenditure
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
For the year ended 30 June 2016

	Notes	For the year ended 30 June 2016 Taka	2015 Taka
INCOME			
Operating income			
Service charge	17	-	6,490,111
Grants income	18	539,148,696	322,897,952
Other income	19	1,000	4,172,453
		539,149,696	**333,560,516**
Non-operating income			
Bank interest	20	-	26,743,211
		-	**26,743,211**
Total income		**539,149,696**	**360,303,727**
EXPENDITURE			
Bank charge & comission		32,375	51,970
Manpower compensation (Salaries & allowance and other facilities)	21	29,955,231	20,395,577
Training/workshop and seminar	22	5,643,640	10,937,039
Institutional development and capacity building	23	489,012,087	286,152,682
Monitoring and evaluation	24	11,203,091	1,519,170
Occupancy expense	25	979,812	979,812
Administrative expense	26	3,276,033	2,611,834
Depreciation	3	882,691	1,109,639
Loss on sale of fixed assets		65,614	-
Core program overhead expense	27	138,261	1,794,263
Total expenditure		**541,188,835**	**325,551,986**
Excess/(shortage) of income over expenditure		**(2,039,139)**	**34,751,741**

The annexed notes from 1 to 31 and Annexure A, B & C form an integral part of these financial statements

Golam Touhid
Deputy Managing Director

Md. Abdul Karim
Managing Director

Signed in terms of our separate report annexed.

Dated, Dhaka:
30 November 2016

MABS & J Partners
Chartered Accountants

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
Statement of Cash Flows
For the year ended 30 June 2016

	Notes	For the year ended 30 June 2016 Taka	2015 Taka
Cash flows from operating activities			
Excess/(Shortage) of expenditure over income		(2,039,139)	34,751,741
Adjustment for items not involving the movement of cash	29	(20,238,133)	(3,062,814)
Surplus/(deficit) before changes in operating activities		**(22,277,272)**	**31,688,927**
Increase/decrease in operating activities			
(Increase)/decrease in loan to partner organizations (POs)		261,939,570	-
(Increase)/decrease in service charge receivable		3,968,286	(1,103,283)
(Increase)/decrease in interest receivable		2,134,247	6,667,394
(Increase)/decrease in grant receivable		(81,287,441)	-
(Increase)/decrease in advance, deposits and prepayments		-	160,448
(Increase)/decrease in current account with other project		773,910	(773,910)
Increase/(decrease) in grants		(231,927,674)	-
Increase/(decrease) in retained surplus transfer		(133,747,414)	-
Increase/(decrease) in deferred income (grant for assets)		(915,746)	(1,072,603)
Increase/(decrease) in grant received in advance		(132,078,595)	123,345,651
Increase/(decrease) in current account with PKSF		(126,406,132)	(30,548,568)
Increase/(decrease) in current account with other project		2,019,195	-
Increase/(decrease) in other liabilities		(35,404,626)	51,119,713
		(470,932,420)	**147,794,842**
Net cash inflows from operating activities		**(493,209,692)**	**179,483,769**
Cash flows from investing activities			
Disbursement of loan to partner organizations		-	(46,160,701)
Net cash outflows from investing activities		**-**	**(46,160,701)**
Cash flows from financing activities			
Grant received from DFID used for LIFT loan revolving fund		-	(1,487,826)
Net cash inflows from financing activities		**-**	**(1,487,826)**
Net increase/ (decrease) in cash and cash equivalent		**(493,209,692)**	**131,835,242**
Add: Opening cash and cash equivalent		553,257,184	421,421,942
Closing cash and cash equivalent		**60,047,493**	**553,257,184**

The annexed notes from 1 to 31 and Annexure A, B & C form an integral part of these financial statements

Golam Touhid
Golam Touhid
Deputy Managing Director

Md. Abdul Karim
Managing Director

Signed in terms of our separate report annexed.

Dated, Dhaka:
30 November 2016

MABS & J Partners
Chartered Accountants

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
Notes to the Financial Statements
For the year ended 30 June 2016

1 Background

1.1 PKSF

Palli Karma-Sahayak Foundation (PKSF) was setup by the Government of Bangladesh (GOB) in 1990 as an association 'not for profit' and was registered under the Companies Act 1913 (replaced by the Companies Act 1994). PKSF was formed to sponsor, promote and provide assistance to various semi-government, non-governmental and government organizations, voluntary agencies and societies to undertake different programmes with a view to sustainable poverty reduction through employment generation.

The Registered Office of PKSF is situated at "PKSF Bhaban", Plot: E-4/B, Agargaon Administrative Area, Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh.

1.2 Project: Promoting Financial Services for Poverty Reduction (PROSPER)

Based on field level experiences, PKSF launched two programmes: 'Programmed Initiatives for Monga Eradication (PRIME)' and 'Learning and Innovation Fund to Test New Ideas (LIFT)' in 2006 with PKSF's own fund. In July 2007 Department for International Development (DFID)' (UKAid) came forward for funding these programmes under the Promoting Financial Services for Poverty Reduction (PROSPER) project. DFID launched PROSPER project in Bangladesh based on signing a letter of exchange on development assistance between the Government of Bangladesh and the Government of the United Kingdom of Great Britain on May 17, 2007.

1.3 Project duration of PROSPER

As per programme framework document PROSPER is a 7-years programme, that was completed on 30 June 2016 as per amendment signed between GoB and DFID.

1.4 Brief description of PRIME and LIFT programme

1.4.1 Programmed Initiatives for Monga Eradication (PRIME)

The programme was initially launched in 5 upazilas (sub districts) of Lalmonirhat district in 2006. Subsequently, all 35 upazilas of Lalmonirhat, Kurigram, Nilphamari, Rangpur and Gaibandha districts have been brought under the extended PRIME programme during 2007 and 2008. As on June 2016, 13 Partner Organizations (POs) of PKSF with a network of 202 branches implementing PRIME (North) interventions in 339 unions under 35 Upazilas of Rangpur Division. With the changing poverty dynamics of the country, during 2010-2011 and 2011-2012, PRIME has been expanded among 156 unions of 15 upazilas of Satkhira (Shayamnagar, Kaliganj, Asasuni and Taala upazilas), Khulna (Dacope and Koyra upazilas), Potuakhali (Kalapara, Golachipa and Dashmina upazilas), Barisal (Hizla and Mehendiganj upazilas), Barguna (Amtoli upazila) and Jamalpur (Dewanganj, Melandoho and Islampur upazilas) districts through 107 branches operated by 14 POs. Till June 2016, nearly 0.35 million ultra poor households (HHs) have been organized under PRIME (North) and around 0.16 million thousands ultra poor (HHs) under PRIME (South). In total, PRIME has organized 0.51 million households (HHs) in both the North and the South in 50 upazilas under 11 districts through 309 branches of 24 POs.

1.4.2 Major objective of PRIME

The major objective of PRIME is to prevent the consequences of monga and monga like situation by generating income through wage employment and self-employment opportunities throughout the year.

1.4.3 Target beneficiaries

The targeted members of PRIME are all ultra poor households affected by monga or monga like situation. Indicators used to determine ultra poor HHs -

(a) Have maximum 50 decimals land.

(b) Have one earning member as day labourer,

(c) Have monthly household income of Tk 4,000 and below (initially, it was Tk 1500 in 2006 & 2007 and Tk 3000 in 2008-10);

1.4.4 Major interventions of PRIME

PRIME offers a combined package of financial and non-financial services to the extreme poor HHs. The interventions of the PRIME are group formation, flexible microcredit, skill & vocational training. technical services, primary health care services, disaster management services and emergency loan.

1.4.5 Impacts of PRIME on HHs

PRIME has significant impact on income, employment, asset and food security of the targeted ultra poor households. Different independent evaluations of PRIME shows that, the annual income of the targeted households increased by 285% from Tk. 37,000 in 2008 to Tk.1,42,638 in 2016; food security in terms of 3-meals a day remarkably increased from merely 4% only in 2007 to 99% in 2016 during monga period; monthly working days during the Monga period in 2007 was virtually non-existent but now increased to average 21 days/month (269 days/year) for each household; and the total family assets (savings and physical assets) also increased significantly by 240% from Tk.61,700 in 2008 to Tk.211,000 in 2016. PRIME has a significant contribution in Monga eradication in Rangpur Division. It has also reduced the vulnerability of AILA and SIDR affected extreme poor of south-western coastal areas.

1.4.6 Learning and innovation fund to test new ideas (LIFT)

"Learning and Innovation Fund to Test New Ideas (LIFT)" a Programme of Palli Karma-Sahayak Foundation (PKSF) has been designed to support innovative initiatives that lead to alleviation of poverty. Since its inception in 2006, experience with LIFT has shown that there is vast potential to expand financial and non-financial services to the targeted poor through innovations. New ideas were often deemed risky and costly hence innovators had very little means of bringing their ideas to light. With the support of L1FT, a number of organizations have come forward with innovative ideas that have been successfully implemented in the field with imperative outcome. With such positive results PKSF started upscaling and replication some of the projects across Bangladesh for improving the livelihood of the targeted poor from 2011. LIFT funding is being used for implementing 50 innovative ventures located in different areas of the country. All of these innovative ventures are creating opportunities for employment and income generation of the poor.

1.4.7 Major objectives of LIFT

a) Encourage innovation in financial/non-financial product (goods and services) delivered to the poor;

b) Increase the uptake of financial services/products that provide a route out of poverty and provide a safety net for those vulnerable to future poverty;

c) Encourage subsidy and cross-subsidy systems to allow financial access by the poorest;

d) Accelerate various types of pro-poor innovative ventures of the organizations so that the poor can be benefited directly/ indirectly;

e) Provide support to organizations in undertaking ventures for generating employment for the poor and ultra poor throughout the year especially during off seasons in facing emergency situations;

f) Reduce financial service delivery costs through the use of technology and super-efficient processes and promoting technology based remittance service;

g) Provide MFI's non-loan knowledge services to entire community.

1.4.8 Modality and operations of fund

a) Three types of funds are available for the ventures: soft loan, grants and equity participation loan;

b) The mode of funding depends on the nature of the venture;

c) The applicant organizations provide approximately 30% of the total budget of the ventures;

d) Maximum funding for a venture is taka 20 million and fund disbursement procedures will be determined on approval of the fund;

e) A venture may be run by the applicant organization alone or in partnership with others;

f) With the consent/approval of the Department for International Development (DFID) and PKSF, all of the fund received from the DFID for LIFT programme has been disbursed to the POs (Partner Organization and Non-Partner Organization) of PKSF as non-refundable grant by June 30, 2016. Initially it was used as LIFT revolving loan fund. LIFT revolving loan fund was managed by PKSF with the financial assistance of DFID's grant and PKSF's own fund together. As the entire grants of DFID for LIFT has been disbursed as non-refundable grant to the POs of PKSF by June 30, 2016, the outstanding loan balances, it's earnings (bank interest and service charges etc.) and PKSF's own funds have been transferred to the PKSF's ongoing LIFT programme.

1.4.9 Impacts of LIFT

The LIFT Programme has measurable impact on the employment generation of the extreme poor households. An external evaluation revealed that income of the ultra poor HHs under LIFT Programme increased significantly. A survey on a number of selected LIFT member HHs noted that members previously involved in household work, dropped drastically from 54% to 1% and day labour from 13% to 3%. On the other hand, there was an increase in agriculture based employment from 16% to 33% and small business from 7% to 9%. Overall, about 47% of the surveyed HHs reported to increase household income significantly.

1.4.10 Ground for opening a separate PKSF-LIFT Bank Account

PKSF launched the LIFT Programme in 2006 with its own fund of Tk. 10.0 crore. The fund was channeling through PKSF's core account. Later, DFID (UKAid) started financing the LIFT Programme through PROSPER project since 2007. DFID provided PKSF Tk. 23.34 crore as LIFT fund' which was entirely used by PKSF as revolving fund to finance innovative projects. The PROSPER project completed on 30 June 2016. In the meantime, LIFT revolving fund of DFID portion was entirely disbursed as grants for different LIFT initiatives as per the decision of PKSF management with the consent of DFID.

LIFT is an ongoing programme of PKSF. Previously, there was no separate Bank Account of LIFT, so PKSF operated the LIFT programme through PROSPER Bank Account. Therefore, LIFT revolving fund of PKSF portion was lying with PROSPER Bank Account. Later a separate Bank Account naming 'Palli Karma-Sahayak Foundation - LIFT Account' has been opened and Palli Karma-Sahayak Foundation - LIFT fund as well as earnings (bank interest and service charges etc.) of the programme has been transferred to the bank account of PKSF's ongoing LIFT programme .

1.4.11 Use of retained surplus (residual bank interest)

As per the contract between GoB and DFID, there is no indication about the use of the bank interest earned from the PROSPER project fund. PKSF completed the project successfully and transparently and the project has positive impacts on the extreme poor HHs. Accordingly, the retained surplus (residual bank interest) can be used in the LIFT programme for eradication of extreme poverty as per decision of the PKSF management.

2 Significant accounting policies

2.1 Basis of accounting

The Programmed Initiatives for Monga Eradication (PRIME) and Learning and Innovation Fund to Test New Ideas (LIFT) Project's financial statements have been prepared under the historical cost convention on a going concern basis using the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted in Bnagladesh. Palli Karma-Sahayak Foundation (PKSF) generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items. The financial statements are expressed in Bangladesh Taka (BDT).

The significant accounting policies followed in the preparation and presentation of these financial statements are summarised below:

2.2 Donor Grants

Grants-in-assistance is recognised as equity on a cash basis, not withstanding the requirements in IAS 20 (and IAS 1) that the accruals basis should be adopted.

Income from donor grants is recognised on the income approach as recommended in IAS 20. Income is recognised when conditions on which they depend have been met and income is recognized to equate to expenditure incurred on the project (IAS 20, Para 12). For donor grants provided to purchase fixed assets, income is recognised over the estimated useful life of the fixed assets (IAS 20, Para 24).

All grants received from donors are initially recorded at fair value as liabilities in "Grants received in advance". Grants utilized to reimburse programme related expenditure as per IAS 20, are recognised as income. Thus if the whole grant is not spent in the year a balance is shown in "Grants received in advance". If however more is spent is shown in "Grants receivable".

2.3 Period

These financial statements covered the year from 01 July 2015 to 30 June 2016.

2.4 Provision for liabilities

Provisions for liabilities are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.5 Cash and cash equivalent

This represents cash which consists of cash at bank and FDR.

2.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is provided on a reducing balance method. Depreciation rates applicable to different categories are given below:

Furniture and fixtures	10%
Vehicles	20%
Training equipment	20%
Telephone and PABX	20%
Computers	20%
Photocopier	20%
Office equipment	20%
MIS Software	25%

Depreciation is charged from the date of purchase of fixed assets.

Maintenance and repairing expenses are charged to revenue as and when incurred.

2.7 Allocation of overhead

Overheads of this project are allocated as under:

Overhead	Basis of Allocation
a) Salaries and allowances of MD, DMD, GM finance and accounts department, administrative department and internal audit department.	Statement of Financial Position total.
b) Printing and stationery	Number of persons directly employed
c) Utilities	-do-
d) Telephone bill	-do-
e) Entertainment	-do-
f) Fiduciary and miscellaneous insurance premium	Total fixed assets less accumulated depreciation.
g) Office maintenance	Number of persons directly employed

2.8 General

a) All the assets, liabilities, capital fund, income and expenditure are denominated in terms of Taka, the local currency. Figures have been rounded off to the nearest integer;

b) Last year's figures have been rearranged to conform the current years presentation where necessary.

3. Property, plant and equipment

Particulars	COST				DEPRECIATION					Written down value as at 30 June 2016
	Balance as at 01 July 2015	Addition during the year	Adjustment/ disposal during the year	Balance as at 30 June 2016	Rate	Balance as at 01 July 2015	Charged during the year	Adjustment/ disposal during the year	Balance as at 30 June 2016	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Vehicle	6,032,804	-	-	6,032,804	20	4,505,067	305,547	-	4,810,614	1,222,190
Office equipment	563,690	-	-	563,690	20	168,459	79,046	-	247,505	316,185
Furniture & fixtures	512,553	-	78,554	433,999	10	245,281	23,546	40,901	227,926	206,073
Telephone & PABX	224,126	-	57,074	167,052	20	149,411	13,291	47,468	115,234	51,818
Air conditioner	328,500	-	-	328,500	20	254,277	14,845	-	269,122	59,378
Computer	5,454,471	-	67,868	5,386,603	20	3,373,328	413,073	49,513	3,736,888	1,649,715
Training Equipment	460,000	-	-	460,000	20	293,283	33,343	-	326,626	133,374
Total	**13,576,144**	**-**	**203,496**	**13,372,648**		**8,989,106**	**882,691**	**137,882**	**9,733,915**	**3,638,733**
As at 30 June 2015	**13,576,144**	**-**	**-**	**13,576,144**		**7,879,467**	**1,109,639**	**-**	**8,989,106**	**4,587,038**

		As at 30 June	
		2016 Taka	2015 Taka
4	**Loan to partner organizations (POs)**		
	This represents the loan outstanding as at 30 June 2016 with partner organizations (POs). Partner organizations wise details is shown in **Annexure-A.**		
	The movement of loan was as follows:		
	Opening balance	261,939,570	215,778,870
	Add: Loan disbursed during the year	139,272,000	139,800,000
		401,211,570	355,578,870
	Less: Loan recovered during the year	124,571,249	93,639,300
		276,640,321	261,939,570
	Less : Transfer to ongoing PKSF LIFT programme	276,640,321	-
	Closing balance	-	261,939,570
	Maturity-wise break up above amount is given below:		
	Loan to POs non current portion	172,496,320	138,897,133
	Less : Transfer to ongoing PKSF LIFT programme	172,496,320	-
	Closing balance	-	138,897,133
	Loan to POs current portion	104,144,001	123,042,437
	Less : Transfer to ongoing PKSF LIFT programme	104,144,001	-
	Closing balance	-	123,042,437
5	**Service charge receivable**		
	Service charge receivable	3,688,890	3,968,286
	Less : Transfer to ongoing PKSF LIFT programme	3,688,890	-
		-	3,968,286
	The above amount represents service charges receivable from partner organizations as on 30 June 2016 against loan to POs. Break down is shown in Annexure-B		
6	**Grants receivable**		
	Eligible grant for revenue expenditure during the year(Note-18)	323,373,036	-
	Less: Opening balance of grant received in advance	132,078,595	-
	Less: Grants received during this year (Note-30)	110,007,000	-
	Closing balance	81,287,441	-
7	**Current account with other project and programme**		
	This represents the balance in current account maintained with PKSF as at 30 June 2016. Movement of the balance is as follows:		
	Opening balance	773,910	-
	Add: Enrich current account	-	773,910
	Less: Adjustment during this year	773,910	-
	Closing balance	-	773,910
8	**Cash and cash equivalent**		
	Cash at bank- Note 8.01	60,061,493	453,257,184
	Short term fixed deposit (FDR) - Note 8.02	-	100,000,000
		60,061,493	553,257,184
8.01	**Cash at bank**		
	Southeast Bank Ltd, Agargaon Branch	60,061,493	453,257,184
		60,061,493	453,257,184

		As at 30 June	
		2016 Taka	2015 Taka
8.02	**Short term fixed deposit (FDR)**		
	Balance as on 01 July	100,000,000	400,000,000
		100,000,000	400,000,000
	Less: Encashment during the year	100,000,000	300,000,000
	Balance as on 30 June	-	100,000,000
9	**Grants**		
	Grant from DFID used for LIFT loan revolving fund (Note: 9.01)	-	231,927,674
		-	231,927,674
9.01	Movement of grant from DFID used for LIFT loan revolving fund as follows:		
	Opening balance	231,927,674	233,415,500
	Add: Addition during this year	-	-
		231,927,674	233,415,500
	Less: Loan adjustment during the year	15,582,088	1,487,826
	Prior year adjustment during the year	1,485,672	
	Grant disbursement under LIFT	211,859,914	-
	Transfer to grant income (Special report on PROSPER activities)	3,000,000	-
	Closing balance	-	231,927,674
10	Retained Surplus/(deficit)		
	Opening balance	169,648,781	134,897,039
	Add : Excess of income over expenditure during the year	(2,039,139)	34,751,741
	Add : Prior year adjustment during the year	1,485,672	-
		169,095,313	169,648,781
	Less : Transfer to ongoing PKSF LIFT programme	135,226,084	-
	Closing balance	33,869,229	169,648,781
11	Deferred Income (Grants for Assets)		
	Opening balance	4,437,929	5,510,532
	Add: Addition during this year	-	-
		4,437,929	5,510,532
	Less: Amortization during the year (Note-18.01)	915,746	1,072,603
	Closing balance	3,522,183	4,437,929
	Details are shown as below:		
	Vehicle	1,222,189	1,527,737
	Office equipment	297,846	364,073
	Furniture & fixtures	206,017	265,530
	Telephone & PABX	50,478	73,646
	Air conditioner	55,777	71,499
	Computer, printers	1,568,938	1,976,332
	Training Equipment	120,938	159,112
		3,522,183	4,437,929
12	**Grants received in advance**		
	Opening balance	132,078,595	8,732,944
	Grants received (Note-30)	-	445,171,000
	Transfer to Statement of Income and Expenditure for expenditure during the year(Note-18)	-	(321,825,349)
	Adjustment with grant receivable (Note:06)	(132,078,595)	
	Closing balance	-	132,078,595

		As at 30 June	
		2016	2015
		Taka	Taka
13	**Current account with PKSF**		
	This represents the balance in current account maintained with PKSF as at 30 June 2016. Movement of the balance is as follows:		
	Opening balance	126,544,393	157,092,962
	Add: PKSF current account with PROSPER	215,121,921	162,362,492
	Add: PKSF current account with PRIME	110,025	461,320
	Add: PKSF current account with LIFT	28,793,528	16,335
		370,569,867	319,933,109
	Less: Adjustment during this year	370,431,606	193,388,716
	Closing balance	**138,261**	**126,544,393**
14	**Current account with other project**		
	This represents the balance in current account maintained with PKSF-LIFT as at 30 June 2016. Movement of the balance is as follows:		
	Opening balance	-	-
	Add: Current account with PKSF-LIFT	33,610,845	-
		33,610,845	-
	Less: Adjustment during this year	31,591,650	-
	Closing balance	**2,019,195**	**-**
15	**Other liabilities**		
	Liabilities:		
	Monitoring & evaluation expenses payable	1,200,000	7,081,938
	ID & capacity building expenses payable	86,764,835	130,990,710
	Administrative expenses payable	388,241	331,420
	Occupancy expenses	-	244,953
	Workshop & information dissemination expenses payable	4,293,106	1,686,683
	Provision for management compensation	3,285,313	46,659
	Provision for administrative staff compensation	658,910	265,612
	Security deposit from contractor and other	7,450	7,450
	Service charge received in advance	-	188,000
	Provision for severance allowance	5,861,333	-
	Provision for innovation expenses	2,586,056	-
	Payable of VDS and TDS	393,555	-
		105,438,799	**140,843,425**
16	**Loan loss provision**		
	Opening balance	21,179,438	25,351,891
	Less: Reverse during the year	-	4,172,453
	Closing balance	21,179,438	21,179,438
	Less : Transfer to ongoing PKSF LIFT programme	21,179,438	-
		-	**21,179,438**

		For the year ended 30 June	
		2016 Taka	2015 Taka
17	**Service Charges**	7,889,148	6,490,111
	Less : Transfer to ongoing PKSF LIFT programme	7,889,148	-
		-	**6,490,111**

This represents service charges earned during the year from the partner organizations (POs) against loan provided to PO's. PO wise break-up is shown in **Annexure C**

18	Grant income		
	Donor grants recognised in the statement of income and expenditure:		
	Recognised for eligible revenue expenditure	323,373,036	321,825,349
	Transferred from grant dibursed under LIFT (Note: 9.01)	211,859,914	
	Transfer from grant income (Special report on PROSPER activities)(Note:9.01)	3,000,000	
	Transferred from deferred income:		
	Amortisation of Deferred income (Grant for assets) (Note- 18.01)	915,746	1,072,603
		539,148,696	**322,897,952**
18.01	**Amortisation of deferred income (Grant for Assets)**		
	Vehicle	305,548	381,934
	Office equipment	74,461	91,018
	Furniture & fixtures	60,426	29,503
	Telephone & PABX	21,592	18,412
	Air conditioner	13,944	17,875
	Computer, printers	409,540	494,083
	Training Equipment	30,235	39,778
		915,746	**1,072,603**
19	**Other income**		
	Reversal of loan loss provision during the year (Note-16)	-	4,172,453
	Miscellaneous income	1,000	-
		1,000	**4,172,453**
20	**Bank interest**		
	Bank interest	13,095,919	14,346,464
	FDR interest	2,490,753	12,396,747
		15,586,672	26,743,211
	Less : Transfer to ongoing PKSF LIFT programme	15,586,672	-
		-	26,743,211
21	**Manpower Compensation (Salaries & allowance and other facilities)**		
	Management compensation PROSPER	20,038,239	15,546,724
	Administrative staff compensation PROSPER	4,055,659	4,239,921
	Severance allowance	5,861,333	608,932
		29,955,231	**20,395,577**
22	**Training/ workshop and seminer**		
	Workshop & information dissemination-PRIME	3,984,699	998,320
	Training & development expenses for Project Staff	80,000	-
	Fellowship & study visit-PROSPER	1,578,941	9,938,719
		5,643,640	10,937,039
23	**Institutional development and capacity building**		
	Operating expense for ID-PRIME	144,012,204	139,979,573
	Grant under LIFT	211,859,914	638,662
	Grant for agriculture inputes under PRIME	22,764,851	27,712,262
	Training & workshop for skill dev. beneficiaries-PRIME	15,904,870	23,193,637
	Grant for healthcare services under - PRIME	2,251,451	4,339,349
	Model IGA under-PRIME	85,827,951	80,802,667
	Health Camp under - PRIME	6,390,846	5,199,053
	Vocational training for beneficiaries- PRIME	-	4,287,479
		489,012,087	**286,152,682**

			For the year ended 30 June	
			2016	2015
			Taka	Taka
24	**Monitoring and evaluation**			
	Inspection expense -PO's-PRIME		1,898,570	1,519,170
	Impact study (M&E) -PRIME		6,304,521	-
	Special report on PROSPER activities		3,000,000	-
			11,203,091	**1,519,170**
25	**Occupancy expense**			
	Office rent-PRIME		804,960	804,960
	Electricity & fuel for generator-PRIME		103,944	103,944
	Water & sewerage bill		70,908	70,908
			979,812	**979,812**
26	**Administrative expenses**			
	Printing & stationaries		806,315	718,990
	Entertainment		18,606	31,260
	Conveyance		480	-
	Fuel & lubricant		774,810	665,256
	Car maintenance		965,669	483,518
	Insurance expense		142,604	139,125
	Audit fee		250,000	250,000
	Telephone, fax & internet bill		272,616	285,965
	Repairs & maintenance- office equipment		24,233	13,500
	Others		20,700	24,220
			3,276,033	**2,611,834**
27	**Core program overhead account**			
	Salaries and allowance		76,646	994,660
	Festival bonus		6,381	82,802
	Printing and stationery		19,765	256,495
	Electricity bill		15,429	200,233
	Telephone bill		7,520	97,596
	Gas bill		423	5,483
	Lunch bill		10,312	133,828
	Insurance premium		109	1,418
	Office up keepment		1,676	21,748
			138,261	**1,794,263**
28	**(Increase)/decrease in loan to partner organizations (POs)**			
	Realization of loan from POs during the year		124,571,249	93,639,300
	Disbursement of loan to POs during the year		140,491,065	(139,800,000)
			265,062,314	**(46,160,700)**
29	**Adjustment for items not involving the movement of cash**			
	Depreciation		882,691	1,109,639
	Loan loss provision		(21,179,438)	(4,172,453)
	Loss on sale of fixed assets		58,614	-
			(20,238,133)	**(3,062,814)**
30	**Schedule of grants received**			
	Date	**Donor**		
	30.06.2016	Assets sale	7,000	-
	10.03.2016	DFID	60,000,000	-
	26.10.2015	DFID	50,000,000	-
	30.06.2015	DFID	-	190,000,000
	13.01.2015	DFID	-	150,000,000
	07.09.2014	DFID	-	105,171,000
			110,007,000	**445,171,000**

31 **Subsequent event**

No circumstances have arisen since the statement of financial position date, which would require adjustments to or disclosure in the financial statements or notes thereto.

Annexure-A

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
Partner Organizations (POS) wise break-up of loan outstanding:
As at 30 June 2016

		As at 30 June	
		2016 Taka	2015 Taka
A.	**Partner Organizations (POs)-OOSA**		
1	Srizony Bangladesh	-	62,500
2	Shariatpur Development Society (SDS)	-	833,328
3	WAVE Foundation	4,775,000	9,550,000
4	Habitate & Economy Lifting Programm (HELP)	4,140,000	4,140,000
5	Young Power in Social Action (YPSA)	-	100,000
	Sub-total	**8,915,000**	**14,685,828**
C.	**Partner Organizations - Non PO**		
1	Jalal Nagar Development Program (JNDP)	-	2,403,572
2	Development of Biotechnology & Environmental Conservation	-	313,333
4	Kazi Shahid Fondation (KSF)	13,750,000	15,550,000
	Sub-total	**13,750,000**	**18,266,905**
D.	**Category-A**		
1	Jagorani Chakra Foundation	4,208,331	7,033,332
2	RDRS Bangladesh	-	4,333,332
3	Resource Integration Centre (RIC)	11,800,002	10,000,000
4	Eco-Social Development Organization (ESDO)	4,722,000	-
5	Society for Social Service (SSS)	4,060,000	-
6	Peoples Oriented program Implementation (POPI)	10,725,000	7,000,000
7	UDDIPAN	5,125,000	3,500,000
8	Ad-din Welfare Centre	4,100,000	600,000
9	HEED Bangladesh	2,969,000	-
10	WAVE Foundation	5,385,000	-
11	Society for Development Initiatives (SDI)	7,500,000	-
12	Gram Unnayan Karma (GUK) Bogra.	6,666,668	5,000,000
13	Padakhep Manabik Unnayan Kendra	42,500,002	20,000,000
	Sub-total	**109,761,003**	**57,466,664**
E.	**Category-B**		
1	Eco-Social Development Organization (ESDO)	2,625,000	3,500,000
2	Nowabenki Gonomukhi Foundation (NGF)	2,660,000	2,280,000
3	Sojag (Somaj O Jati Gathon)	7,250,000	8,000,000
4	WAVE Foundation	40,625,000	48,125,000
5	SKS Foundation	8,500,000	10,000,000
6	Society for Development Initiatives (SDI)	3,750,000	10,416,665
7	Integrated Development Foundation (IDF)	10,020,000	7,275,000
8	COAST TRUST	4,166,667	-
	Sub-total	**79,596,667**	**89,596,665**

		As at 30 June	
		2016 Taka	2015 Taka
F.	**Category-C**		
1	Palli Progoti Shayak Samity	11,333,332	17,000,000
2	Unnayan	1,000,000	-
3	Sagarika Samaj Unnayan Sangstha	1,749,992	6,166,662
4	Gram Bikash Kendra, Dinajpur	1,500,000	2,000,000
5	Mohila Bohumukhi Shikka Kendra, Dinajpur	2,760,000	-
6	Programme for Community Development (PCD)	4,866,000	-
7	Shariatpur Development Society (SDS)	1,666,659	8,333,330
8	JAKAS Foundation	5,085,000	7,485,000
9	Unnyan Prochesta	5,000,000	-
10	Self Help & Rehabilitation Program (SHARP)	8,425,000	4,000,000
11	Dwip Unnayan Sangstha	2,250,000	3,000,000
12	New Era Foundation	2,000,000	-
13	COAST TRUST	2,250,000	3,833,333
14	Shatoful Bangladesh	2,565,000	-
15	National Development Programme (NDP)	1,666,668	7,500,001
16	Young Power In Social Action (YPSA)	4,000,000	2,000,000
17	Proyas Manobik Unnayan Society	6,500,000	6,000,000
	Sub-total	**64,617,651**	**67,318,326**
G.	**Overdue Loan**		
1	Palli Bandhu Kallan Sanghtha	-	159,500
2	Alor Dishare Sangtha	-	2,390,000
3	Surja Shikha	-	1,375,001
6	Grameen Krishok Sohayak Sangstha (GKSS)	-	4,569,167
7	Safe Agriculture (Bangladesh) Ltd.	-	1,250,000
8	JESH Foundation	-	187,620
9	SHISUK (Shikkha Shastha Unnayan Karzakram)	-	710,000
10	Development of Biotechnology & Environmental Conservation	-	1,101,667
11	Aadi	-	700,800
12	Samaj Unnayan Palli Sangstha (SDRS)	-	1,149,999
13	Jalal Nagar Development Program (JNDP)	-	1,011,428
	Sub-total	**-**	**14,605,182**
	Grand Total	**276,640,321**	**261,939,570**
	Less : Transfer to ongoing PKSF LIFT programme	276,640,321	-
	Grand Total	**-**	**261,939,570**

Annexure -B

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
Partner Organization (POs) wise Break-up of the Service Charge Receivable :
As at 30 June 2016

		As at 30 June	
		2016 Taka	2015 Taka
A.	**Partner Organizations (POs)-OOSA**		
1	Shariatpur Development Society (SDS)	-	936
2	WAVE Foundation	42,812	85,623
3	Habitate& Economy Lifting Programme (HELP)	-	25,537
4	Srizony Bangladesh	-	541
5	Young Power In Social Action (YPSA)	-	833
	Sub-total	**42,812**	**113,470**
C.	**Partner Organizations - Non PO**		
2	Kazi Shahid Fondation(KSF)	143,836	489,932
	Sub-total	**143,836**	**489,932**
D.	**Category-A**		
1	Jagorani Chakra Foundation	17,688	27,868
2	RDRS Bangladesh	-	5,105
3	Resource Integration Centre (RIC)	14,006	24,110
4	Eco-Social Development Organization (ESDO)	62,533	-
5	Society for Social Service (SSS)	95,660	-
6	Peoples Oriented program Implementation (POPI)	407,819	325,548
7	UDDIPAN	79,315	258,904
8	Ad-din Welfare Centre	59,655	1,858
9	HEED Bangladesh	35,791	-
10	WAVE Foundation	122,785	-
11	Society for Development Initiatives (SDI)	36,781	-
12	Gram Unnayan Karma (GUK) Bogra	30,457	25,068
13	Padakhep Manabik Unnayan Kendra	183,904	15,274
	Sub-total	**1,146,394**	**683,735**
E.	**Category-B**		
1	Eco-Social Development Organization (ESDO)	25,531	209,041
2	Nowabenki Gonomukhi Foundation (NGF)	20,848	7,378
3	Sojag (Somaj O Jati Gathon)	18,801	87,123
4	Wave Foundation	1,158,476	1,248,887
5	SKS Foundation	231,575	215,068
6	Society for Development Initiatives (SDI)	8,733	40,696
7	Integrated Development Foundation (IDF)	89,672	175,173
8	COAST TRUST	7,078	-
	Sub-total	**1,560,714**	**1,983,367**

		As at 30 June	
		2016 Taka	2015 Taka
F.	**Category-C**		
1	Palli Progoti Shayak Samity	28,311	31,918
2	Unnayan	15,452	-
3	Sagarika Samaj Unnayan Sangstha	2,397	16,251
4	Gram Bikash Kendra	34,521	145,753
5	Mohila Bohumukhi Shikka Kendra, Dinajpur	62,384	-
6	Programme for Community Development (PCD)	137,315	-
7	Shariatpur Development Society (SDS)	731	29,315
8	JAKAS Foundation	99,715	321,074
9	Unnayan Prochesta	65,753	-
10	Self Help & Rehabilitation Program (SHARP)	6,943	3,288
11	Dwip Unnayan Sangstha	10,890	39,315
12	New Era Foundation	35,068	-
13	COAST TRUST	11,918	40,799
14	Shatoful Bangladesh	62,895	-
15	National Development Programme (NDP)	731	32,534
16	Young Power In Social Action (YPSA)	12,151	18,658
17	Proyas Manobik Unnayan Society	207,959	18,877
	Sub-total	**795,134**	**697,782**
	Grand Total	**3,688,890**	**3,968,286**
	Less : Transfer to ongoing PKSF LIFT programme	3,688,890	-
	Grand Total	**-**	**3,968,286**

Annexure -C

Programmed Initiatives for Monga Eradication (PRIME) and
Learning and Innovation Fund to Test New Ideas (LIFT)
Funded by DFID (UK aid)
Implemented by
Palli Karma-Sahayak Foundation (PKSF)
Partner Organization (POs) wise Break-up of Service Charge Recognized:
As at 30 June 2016

		For the year ended 30 June	
		2016	2015
		Taka	Taka
A.	**Partner Organizations (POs)-OOSA**		
3	Shriatpur Development Society (SDS)	2,196	18,875
4	WAVE Foundation	375,002	732,127
5	Habitate & Economy Lifting Programme (HELP)	162,463	(23,463)
7	Srizony Bangladesh	84	3,820
8	Young Power in Social Action (YPSA)	167	5,794
9	Proyas Manobik Unnayan Society	-	654
	Sub-total	**539,912**	**737,807**
B.	Partner Organizations (POs)-BIPOOL		
1	RDRS Bangladesh	-	22,283
2	UDDIPAN	-	10,861
	Sub-total	**-**	**33,144**
C.	**Partner Organizations - Non PO**		
4	Kazi Shahid Foundation (KSF)	627,654	809,777
5	Samaj Unnayan Palli Sangstha (SDRS)	60,001	244,995
	Sub-total	**687,655**	**1,054,772**
D.	**Service Charge under LIFT Category-A**		
1	Jagorani Chakra Foundation	275,091	373,791
2	RDRS Bangladesh	11,145	87,824
3	Resource Integration Centre (RIC)	131,564	24,110
4	Eco-social Development Organization (ESDO)	62,533	-
5	Society for Social Service (SSS)	95,660	-
6	Peoples Oriented program Implementation (POPI)	421,333	255,548
7	UDDIPAN	159,473	180,657
8	Ad-din Welfare Centre	57,797	1,858
9	HEED Bangladesh	35,791	-
10	WAVE Foundation	122,785	-
11	Society for Development Initiatives (SDI)	36,781	-
12	Gram Unnayan Karma (GUK)	67,889	25,069
13	Padakhep Manabik Unnayan Kendra	293,630	248,031
	Sub-total	**1,771,472**	**1,196,888**

		For the year ended 30 June	
		2016	2015
		Taka	Taka
E.	**Service Charge under LIFT Category-B**		
1	Eco-Social Development Organization (ESDO)	155,552	175,000
2	Nowabenki Gonomukhi Foundation (NGF)	36,270	21,580
3	Sojag (Somaj O Jati Gathon)	56,678	97,123
4	Wave Foundation	2,237,714	1,664,298
5	SKS Foundation	382,131	186,514
6	Society for Development Initiatives (SDI)	69,079	78,053
7	Integrated Development Foundation (IDF)	318,936	291,358
8	COASTA TRUST	44,578	-
	Sub-total	**3,300,938**	**2,513,926**
F.	**Service Charge under LIFT Category-C**		
1	Palli Progati Shahayak Samity	153,062	138,139
2	Unnayan	15,452	-
3	Sagorica Samaj Unnayan Sangstha	42,189	68,402
4	Gram Bikash Kendra, Dinajpur	82,518	100,000
5	Mohila Bohumukhi Shikka Kendra, Dinajour	62,384	-
6	Programme for Community Development (PCD)	137,315	-
7	Shariatpur Development Society (SDS)	50,585	84,885
8	JAKAS Foundation	266,704	351,468
9	Unnayan Prochesta	65,753	-
10	Self Help & Rehabilitation Program (SHARP)	203,655	3,288
11	Dwip Unnayan Sangstha	46,575	39,315
12	New Era Foundation	35,068	-
13	COAST TRUST	49,244	64,909
14	Shatoful Bangladesh	62,895	-
15	National Development Programme (NDP)	43,197	65,634
16	Young Power In Social Action (YPSA)	38,493	18,657
17	Proyas Manobik Unnayan Society	234,082	18,877
	Sub-total	**1,589,171**	**953,574**
	Grand Total	**7,889,148**	**6,490,111**
	Less : Transfer to ongoing PKSF LIFT programme	7,889,148	-
	Grand Total	**-**	**6,490,111**

PALLI KARMA-SAHAYAK FOUNDATION (PKSF)

PKSF Bhaban, Plot E-4/B Agargaon, Sher-E-Bangla Nagar,
Dhaka-1207. Telephone-9126240-3 Ext: 1073
Web: www.pksf-bd.org

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