

PN-AAU-863

BANGLADESH BANK

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

RURAL FINANCE EXPERIMENTAL PROJECT

CONTINUOUS SURVEY RESULTS

MAY - AUGUST 1981

PUBLIC ADMINISTRATION SERVICE

PROJECT OFFICE : 128, NEW ESKATON ROAD DACCA, BANGLADESH

S. F. AHMED AND CO.,

TEL : 400077/78

RURAL FINANCE EXPERIMENTAL PROJECT

PUBLIC ADMINISTRATION SERVICE
MCLEAN, VIRGINIA, U. S. A

S. F. AHMED & CO.
DACCA BANGLADESH

PROJECT OFFICES: 128 NEW ESKATON ROAD, DACCA TELEPHONES: 400077/8 CABLES: PASFA

REF: PAS B-109/81

DATE: 11 Dec., 1981

Mr. M.A. Majid Molla
Chief Officer
Agricultural Credit Department
Bangladesh Bank
Dacca.

Dear Mr. Molla,

Subject: Continuous survey results, May - August, 1981

In accordance with function 8.5 of the contract, we enclose the first of three continuous survey reports. This report covers all outlets during the period 1st May to 31st August, 1981.

A sample of 778 borrowers were interviewed (15.4%) out of 5051 first time borrowers to whom loans were extended during this period. First time borrowers only were covered as repeat borrowers had already been covered during previous surveys.

Many of the outlets and institutions show a positive trend towards reaching the target group and it is especially pleasing to note the performance to date of the new outlets which have been covered by the survey for the first time.

In the body of the report, a full explanation is given as to why the present consultants are unable to combine the results of this survey with previous surveys. Accordingly and also because many current borrowers at the outlets are repeat borrowers, we propose, that for the purposes of reimbursements, the results from this survey should only be used for those outlets which have been surveyed for the first time. All other outlets should be reimbursed according to the results of the last of the previous surveys dated 8th April, 1981.

We would welcome any comments you may have on this report.

Yours sincerely,


Wilmot Averill
Project Manager

cc: Mr. Dennis Zvinakis, USAID/Dacca.

Continuous Survey Report

Objectives:

The objectives of this continuous survey were three fold:

- 1) Verification of proportions of loans going to target and non-target borrowers.
- 2) Determination of the sizes of loans for different purposes.
- 3) Attitudinal information from borrowers as to the nature and extent of services given to them by the institutional outlets.

This report however, is concerned only with the first objective of the survey and is for operational purposes and project grant reimbursements. Other data gathered is being used as an input to other studies and those results will be incorporated into other reports as appropriate.

The design of the survey was planned and finalised in August 1981 under the guidance of the Field Research Specialist. A draft questionnaire, prepared earlier, was pre-tested on 18th September, after which revisions and printing were completed by 25th September. At this time basic training for administering the questionnaire was given to all levels of field staff.

Design & Methodology

The sampling design of the survey was based on estimates of numbers of borrowers together with the time and resources available to carryout the survey. Random sampling techniques were used to collect the data, with a view to achieving 95% confidence level of the estimates. To achieve this, a 15.6% sampling fraction was selected. In the case of outlets with smaller numbers of borrowers,

the design provided for a larger sample to ensure the desired confidence level. To achieve the desired confidence level a formula was prepared with as follows:

Where n = sample size

N = Total borrowers (population size).

$$n = \frac{90}{1 + 90/N - 1}$$

Only first time borrowers were used as the target population. Repeat borrowers were excluded because they were covered in previous surveys and repeat borrowers may have, through their previous loans, increased their income to the extent they fall outside the target group.

The method of survey was for the interviewer to go to the outlet and obtain a list of all first time borrowers during the survey period. Then using random sample tables, a sample was drawn for interview. Interviews were conducted at the borrowers' villages. Results from the sample were then applied to all first time borrowers from that outlet together with an aggregate for the institution as a whole.

Performance

Work was divided into 2 parts. New outlets were surveyed while conducting the complete enumeration for the baseline survey in new areas. A special team of 8 investigators worked on a region wide basis to cover old outlets. Field work began on 22nd September 1981 and was completed by 27 November, 1981. All outlets were covered. The total number of first time borrowers at all outlets was 5051, and the number interviewed was 778. This size sample of 15.4% gives the confidence level desired. In general the work went smoothly, though a number of outlets had to be re-surveyed to exclude repeat borrowers.

Tabulation of results began on 15th October as soon as the first returns came in.

Results:

The detailed results are contained in the attached Tables I to XI. Table I shows the overall proportion of target group lending by institution. Table II compares these institutional results with the cumulative figures of the four previous surveys. Tables III to XI show the detailed results for each institution by outlet together with the cumulative results for each outlet from the previous surveys.

These results have not been added to the previous survey results to arrive at a cumulative figure for reimbursements, as was done previously. The reasons for this are; the previous consultants adopted the practice of complete coverage of all first time borrowers whereas this survey is done on a sample basis. Also there is a gap between the dates when surveys were carried out at the outlets for the last report No. 4 (November 1980 to April 1981 and the period (May - August 1981) of this survey. In the consultants opinion it is therefore neither analytically nor statistically correct to aggregate results with those previously obtained.

Conclusions:

RFEP outlets are meant only to lend to the Target Group; being defined as a rural dweller over the age of 18, owning less than 2 acres of cultivable land, and having a gross annual cash income of less than Tk. 6,000/-. The continuous surveys verify this among first time borrowers. Based on the results, the institutions are reimbursed from the project grant. No reimbursements are made for non-target group lending and such borrowers are effectively excluded from the project.

On the other hand, these results also support the present consultant's view that the present target group definition is inadequate. Those without land, who depend upon off-farm cash earning for basic food requirements and whose total cash income often exceeds Tk. 6,000/- p.a., are excluded. Analysis of the completed questionnaires shows that rarely does a borrower fall into the non-target group by virtue of land holding size or other criteria. Nearly always is income the excluding factor. This pattern is seen at most of the outlets where the proportion of first time target group borrowers is low. The experience of this survey indicates the need for greater flexibility in defining the target group, perhaps through grouping of borrowers by land-holding size and sources of income so that those who should be clients of the project are not excluded.

These latest results show that currently 90% of all first time borrowers are in the target group, an increase of 6% since the previous survey. This is encouraging and indicates that the institutions are exercising greater care in selecting potential borrowers, in particular IRDP (97%), Krishi and Rupali (all 96%), and Pubali (95%). On the other hand Agrani and Uttara (67%) have markedly declined in their ratio of target group lending due to poor and perhaps unusual results at two each of their respective outlets.

Of the 90 outlets under RFEP, 9 were covered for the first time during this survey. 8 had disbursed loans to first time borrowers during the period. Generally their performance was good, 88% of loans going to target group borrowers. At one outlet only target group borrowers were served while the least effective reached only 60%.

TABLE-I RESULT OF CONTINUOUS SURVEY BY MODELS AS OF AUGUST 1981

Bank (Model)	Total No. of outlets in operation	Total No. of first time borrowers	Borrowers			
			Target Group Number	Group %	Non-target Group Number	Group %
Agrani	11	222	149	67%	73	33%
BSBL	13	394	810	91%	84	9%
IRDP	13	269	262	97%	7	3%
Janata	11	214	201	94%	13	6%
Krishi	16	1911	1819	95%	92	5%
Pubali	4	123	117	95%	6	5%
Rupali	7	379	363	96%	16	4%
Sonali	10	975	801	82%	174	18%
Uttara	5	64	43	67%	21	33%
All Banks	90	5051	4565	90%	484	10%

Lowest TG Ratio 57%
 Highest TG Ratio 97%
 Overall RFEP Ratio 90%
 Standard Deviation 11.54

TABLE-II

COMPARISON OF RESULTS OF CONTINUOUS SURVEY BY MODELS
(January'80, May'80, November'80; April'81 and August'81 Surveys)

Model (Bank)	Cumulative figures for new borrowers				First time borrowers this period only
	Result as of January 8, 1980 Target group (percent)	Results as of May 15, 1980 Target group (percent)	Results as of November 25, 1980 Target group (percent)	Results as of April 8, 1981 Target group (percent)	Results as of August, 1981 Target group (percent)
Agrani	77	85	86	88	67%
BSBL	73	77	81	81	91%
IRDP	77	77	85	87	97%
Janata	76	80	83	82	94%
Krishi	73	80	84	86	96%
Pubali	64	72	75	81	95%
Rupali	85	89	90	92	96%
Sonali	59	65	71	77	82%
Uttara	73	78	80	80	67%
All Banks	73	79	82	84	91%
Standard Deviation	7.17	6.54	5.17	4.12	11.54

TABLE-III

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

AGRANI BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
08	Bhatra(Bogra)	10	66.7%	15	14	93%	1	7%	99%	1%
10	Khamar(Rajshahi)	10	34.5%	29	9	31%	20	69%	99%	1%
19	Sadhuhat(Jessore)	4	100%	4	4	100%	-	-	87%	13%
29	Baligaon(Dacca)	2	100%	2 ¹	-	-	-	-	87%	13%
32	Phulpur(Mymensingh)	-	No first time	.	loans disbursed during period				80%	20%
41	Cadet College(Tangail)	10	16.1%	62	50	81%	12	19%	94%	6%
45	Chuknagar(Khuina)	10	20.8%	48	48	100%	-	-	94%	6%
57	Santiniketan Rangunia (Chittagong)	10	18.2%	55	17	31%	38	69%	74%	26%
66	Natherpetua(Comilla)	1	50.0%	2	2	100%	-	-	89%	11%
71	Chowkbazar(Sylhet)	-	No first time	.	loans disbursed during period				67%	33%
101	Joyag(Noakhali)	5	100%	5	5	100%	-	-	62%	38%
(11)	Sub Total	60	27%	222	149	67%	73	33%	88%	12%

Lowest T.G. Ratio 31%
 Highest T.G. Ratio 100%
 Overall model T.G. Ratio 67%
 Standard Deviation 28.7

Note: 1 Neither borrower was available on successive days for interview.

TABLE-IV

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

B.S.B.L.¹

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
18	Boaildah(Kushtia)	-	-	No first time	loans disbursed during period				69%	31%
20	Baluhar(Jessore)	-	-	No first time	loans disbursed during period				88%	12%
34	Charkalibari (Mymensingh)	-	-	No first time	loans disbursed during period				96%	4%
36	Paschim Pakutia (Tangail)	4	36.4%	11	11	100%	-	-	85%	15%
53	Taltali(Barisal)	5	100%	5	1	20%	4	80%	78%	22%
74	Jhalam North(Comilla)	10	13.0%	77	77	100%	-	-	71%	29%
107	Jhalam South(Comilla)	40	14.1%	284	284	100%	-	-	-	-
108	Batazore(Barisal)	3	100%	3	2	67%	1	33%	-	-
109	Dewara North(Comilla)	54	20%	270	251	93%	19	7%	-	-
110	Dewara South(Comilla)	11	18.6%	59	54	91%	5	9%	-	-
111	Zadubayria(Kushtia)	10	15.9%	63	38	60%	25	40%	-	-
112	Panle(Kushtia)	10	17.5%	57	40	70%	17	30%	-	-
113	Jagannathpur(Jessore)	10	15.4%	65	52	80%	13	20%	-	-
(13)	Sub Total	157	17.6%	894	810	91%	84	9%	-	-

Lowest TG ratio 20%
 Highest TG ratio 100%
 Overall TB ratio 91%
 Standard deviation 23.92

Note: Segment Nos: 02 (Bircol, Dinajpur), 06 (Palashbari, Rangpur), 07 (Shibgonj, Bogra), 15 (Atgharia, Pabna), 47 (Bhanipur, Khulna), 63 (Arjuntola, Noakhali), have been closed except for reimbursements of collections. Results from Continuous Survey No.4, April, 1981 will be used to calculate these reimbursements.

TABLE-V

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

I.R.D.P.

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous survey cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
13(14)	Natore(Rajshahi)	-	-	No first time	loans disbursed during period				76%	24%
23(24)	Dhamrai(Dacca)	-	-	No first time	loans disbursed during period				93%	7%
26(27)	Joydebpur(Dacca)	8	100%	8	3	38%	5	62%	89%	11%
30(31)	Purba Dariabad (Islampur, Jamalpur)	8	40%	20	18	90%	2	10%	94%	6%
49	Moralgonj(Khulna)	10	26.3%	38	38	100%	-	-	97%	3%
51(53)	Babugonj(Barisal)	10	76.9%	13	13	100%	-	-	84%	16%
54	Burhanuddin(Barisal)	9	18.4%	49	49	100%	-	-	90%	19%
69(70)	Ghouldagram(Comilla)	-	-	No first time	loans disbursed during period				85%	15%
82	Jhikargacha(Jessore)	10	9.2%	109	109	100%	-	-	96%	4%
85	Kaliakoir(Dacca)	-	-	No first time	loans disbursed during period				100%	-
86	Gopalpur(Tangail)	-	-	No first time	loans disbursed during period				100%	-
93	Kalaroa(Khulna)	9	28.1%	32	32	100%	-	-	89%	11%
99	Daudkandi(Comilla)	-	-	No first time	loans disbursed during period				50%	50%
(13)	Sub Total	64	23.8%	269	262	97%	7	3%	87%	13%

Lowest TG ratio 38%
 Highest TG ratio 100%
 Overall model TG ratio 97%
 Standard deviation 21.65

TABLE-VI

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

JANATA BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
03	Paglapir(Rangpur)	6	100%	6	-	-	6	100%	90%	10%
12	Baneshwar(Rajshahi)	4	100%	4	3	75%	1	25%	83%	17%
21	Jhikargacha(Jessore)	-	No first time loans disbursed during the period						80%	20%
28	Baidyerbazar(Dacca)	9	42.9%	21	19	90%	2	10%	75%	25%
72	Tajpur(Sylhet)		No first time loans disbursed during the period						66%	34%
77	Bamundia(Kushtia)	9	10.5%	86	86	100%	-	-	88%	12%
78	Tebunia(Pabna)	10	30.3%	33	33	100%	-	-	100%	-
91	Khankhanapur(Faridpur)	10	45.5%	22	22	100%	-	-	95%	5%
98	Noapara(Sylhet)	5	100%	5	5	100%	-	-	63%	37%
115	Brahmahrajpur(Khulna)	10	27%	37	33	89%	4	11%	-	-
114	Kumira(Chittagong)		No loans disbursed as outlet not opened until September, 1981						-	-
(11)	Sub Total	63	29.4%	214	201	94%	13	6%	82%	18%

Lowest TG ratio 75%
 Highest TG ratio 100%
 Overall model TG ratio 94%
 Standard deviation 31.98

TABLE-VII

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

BANGLADESH KRISHI BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative		
					Target group		Non-target group		Target group	Non-target group	
					No.	%	No.	%	%	%	
04	Rangpur(Rangpur)	13	10.1%	129	129	100%	-	-	31%	9%	
05	Gaibanda(Rangpur)	10	8.9%	112	101	90%	11	10%	100%	-	
11	Paba(Rajshahi)	20	9.6%	209	199	95%	10	5%	90%	10%	
16	Pabna	11	11%	99	99	100%	-	-	81%	19%	
17	Kushtia	10	13.2%	76	76	100%	-	-	98%	2%	
22	Manikgonj(Dacca)	18	8.4%	214	190	89%	24	11%	99%	1%	
40	Korotia(Tangail)	9	27.3%	33	33	100%	-	-	87%	13%	
42	Faridpur	10	6.6%	152	137	90%	15	10%	74%	26%	
43	Madaripur(Faridpur)	10	4.5%	222	222	100%	-	-	74%	26%	
46	Khulna 1)	-	-	-	-	-	-	-	75%	25%	
65	Haijdee Court(Noakhali)	10	20%	50	35	70%	15	30%	100%	-	
73	Khadimnagar(Sylhet)	-	-	No first time loans disbursed during the period				59%	41%	-	-
75	Thakurgaon(Dinajpur)	20	13.0%	154	154	100%	-	-	100%	-	
88	Narsingdi(Dacca)	10	10.6%	94	94	100%	-	-	100%	-	
89	Kotwali(Mymensingh)	10	13.3%	75	68	91%	7	9%	100%	-	
90	Melandah(Jamalpur)	28	9.6%	292	282	97%	10	3%	97%	3%	
(16)	Sub Total	189	9.9%	1911	1819	95%	92	5%	86%	14%	

Lowest TG ratio 70%
 Highest TG ratio 100%
 Overall model TG ratio 95%
 Standard Deviation 8.02

Note: 1) As branch staff not available, survey could not be carried out. This period will be covered during next survey.

TABLE-VIII

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

PUBALI BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
09	Satihah(Rajshahi)	10	22.2%	45	45	100%	-	-	85%	15%
38	Elenga(Tangail)	7	41.2%	17	17	100%	-	-	80%	20%
50	Babugonj(Barisal)	10	25.6%	39	35	90%	4	10%	64%	36%
67	Shahbazpur(Comilla)	9	40.9%	22	20	91%	2	9%	84%	16%
(4)	Sub Total	36	29.3%	123	117	95%	6	5%	81%	19%

Lowest TG ratio 90%
 Highest TG ratio 100%
 Overall model TG ratio 95%
 Standard Deviation 4.77

TABLE-IX

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

RUPALI BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
37	Kalihati(Tangail)	9	8.3%	108	108	100%	-	-	98%	2%
48	Monsha Bazar(Khulna)	10	43.5%	23	21	91%	2	9%	81%	19%
	Rajgonj Bazar, Dattapara(Noakhali)	10	52.5%	19	17	89%	2	11%	88%	12%
76	Narhatta(Bogra)	3	100%	3	100	-	-	-	99%	1%
81	Kakonhat(Rajshahi)	10	76.9%	13	13	100%	-	-	96%	4%
96	Rahmatpur(Barisal)	10	11.1%	90	90	100%	-	-	96%	4%
102	Khan's Hat(Chittagong)	10	8.1%	128	90	90%	12	10%	80%	20%
(7)	Sub Total	62	16.4%	379	363	96%	16	4%	92%	8%

Lowest TG ratio	89%
Highest TG ratio	100%
Overall model TG ratio	96%
Standard Deviation	4.97

TABLE-X

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

SONALI BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
01	Birgonj(Dinajpur	10	33.3%	30	18	60%	12	40%	87%	13%
35	Kuliachar(Mymensihgh) [†]	5	6.0%	84	67	80%	17	20%	69%	30%
44	Khornia(Khulna)	10	20%	50	50	100%	-	-	84%	16%
56	Mirerhat(Sitakunda, Chittagong)	9	12.7%	71	39	55%	32	45%	49%	51%
68	Gouripur Bazar(Jinglatali, Comilla)	9	8.6%	105	70	67%	35	33%	73%	27%
79	Kasba(Rajshahi)	10	16.9%	59	59	100%	-	-	95%	5%
80	Zilla Board(Jalalpur, Pabna)	20	12.0%	166	149	90%	17	10%	100%	-
97	Fultala(Khulna)	6	100%	6	3	50%	3	50%	91%	9%
103	Jatpukuria Bazar (Chittagong)	20	10.3%	194	165	85%	29	15%	66%	34%
104	Marfala Bazar(Chittagong)	22	10.5%	210	181	86%	29	14%	84%	16%
(10)	Sub Total	121	12.4%	975	801	82%	174	18%	77%	23%

Lowest TG ratio 50%
 Highest TG ratio 100%
 Overall model TG ratio 82%
 Standard Deviation 17.27

Note: 1) This small sample was due to incorrect information on first time borrowers given by outlet-in-charge at the time of survey, which has only recently come to light, making it impossible to re-survey a larger sample.

TABLE-XI

RESULTS OF CONTINUOUS SURVEY BY OUTLETS: 1ST MAY TO 31ST AUGUST, 1981

UTTARA BANK

Segment No.	Name of branch (outlet)	No. of borrowers interviewed	Sample size (%)	Total new borrowers	Borrowers				Previous surveys cumulative	
					Target group		Non-target group		Target group	Non-target group
					No.	%	No.	%	%	%
25	Joydebpur(Basan,Dacca)	1	100.0%	1	1	100%	-	-	72%	28%
33	Mymensingh	9	81.8%	11	10	91%	1	9%	84%	16%
39	Tangail		No first time loans disbursed during the period						65%	35%
64	Feni(Noakhali) 1)	6	100%	6	4	67%	2	33%	88%	12%
87	Atia(Tangail)	10	21.7%	46	28	61%	18	39%	100%	-
(5)	Sub Total	26	40.6%	64	43	67%	21	33%	80%	20%

Lowest TG ratio 61%
 Highest TG ratio 100%
 Overall model TG ratio 67%
 Standard Deviation 16.21

Note: 1) This outlet's figures are not reliable as the respondents answers were strongly influenced by the interference of local leaders during the survey. A total of 16 loans were issued during the period, of which 6 were new. But among the practices observed were:- 8 loans of Tk. 5,000/- have been used by 1 person for business purposes and 3 other loans each of Tk. 5,000/- were given to a husband, wife and dependent daughter.