

# Annual Report 2014

Photographs

Monogram

Integrated Development Foundation  
Dhaka, Bangladesh

# Annual Report 2014

Monogram

## Integrated Development Foundation

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## **Message from the Chair**

Integrated Development Foundation (IDF) completed two decades of its operation of the various activities in 19 districts of Bangladesh. Its program activities cover a wide range of areas with particular focus and efforts on microfinance, microinsurance, renewable energy, agriculture; health, sanitation & water; eye care; gender promotion; medicated mosquito net, zerofly net and so on. With these programs IDF, till the end of the reporting period had been serving more than 1,08,000 members within the project areas by providing them necessary services. IDF has taken a giant step during the end of the year 2013 by introducing Mobile Banking system for the benefit of the grassroots level borrowers. There is a plan to extend the services to all borrowers on a gradual basis.

The year 2013 demonstrated a higher progress and improvements of work in all these programs undertaken by IDF. This was possible due to definitive policies adopted and practiced, arduous work done by all the staff members of the organization, supports provided by development partners, and well wishers. This year, there had been four regular meetings of the Board of Governors; and the Annual General Meeting. All these meetings reviewed the periodical progress of the organization, approved the plans & budgets and decided policy issues and provided guidance. I thank all members of the Board of Governors for their attendance and participation in Board meetings; as well as the members of the General Body for their cooperation, support and active participation in the meetings in contributing to frame policy decisions and guidance.

The reader will find the details of activities and the progress made during the year 2013 along with the growth trends. I sincerely thank all those who had put their hard labour in achieving the growth targets. I congratulate the relevant personnel who had put their labor in compiling and preparing the report. I do believe that the readers will get an insight of IDF activities through this report. However, any suggestions from the readers will enable us to enrich the quality of the report in future.

**A. K. Fazlul Bari**  
Chairperson, IDF

**Combating Poverty in the Impassable Hilly Region and  
other Un-served Areas of Bangladesh in order to create  
Poverty Free Bangladesh is our Pledge.**

**picture**

- US based Forbes magazine rated IDF as one of the top 50 MFIs in the world and 6<sup>th</sup> in Bangladesh in 2007.
- In 2004 IDF won the prestigious “Pioneer in Microcredit Award 2004” bestowed by Grameen Foundation USA.

## **Note from the Executive Director**

IDF completed 20 years in 2013. After two decades, when I look back, it reminds me, in what difficult situations, IDF started its journey from Shoalok mouja of Bandarban Hill District with only microcredit which still is an important tool of poverty alleviation. IDF has been able to overcome difficulties it faced and developed many economic, social and safety-nets products dedicated towards improving the socio-economic conditions of the poor people. Description of these products including all related stakeholders which together known as “Financial Inclusions” are presented in this report. IDF is now a financially sustainable development institution successfully implementing “Financial Inclusions” in Bangladesh. This has been possible due to good governance, committed and dedicated staff and sincere cooperation of all government, non-government and international partners.

IDF recorded higher and sustainable growth in 2013. The increase in membership, loan portfolio and savings are respectively 12,202 (13% increase), Tk 116.56m (15% increase) and Tk 32.67m (8% increase). IDF completed automation of FIS and MIS of microfinance program both at branch and head office levels in 2013. Introduction of Mobile Banking is an important event of IDF in 2013. IDF also planned to establish a residential Agriculture Training Centre with laboratory facilities (Demonstration Farms) for the poor farmers in Chittagong Hill Tracts with the assistance of Japan Government and PKSF which is expected to be completed by 2015.

We are very grateful to Grameen Trust, PKSF and IDCOL for their continuous support in 2013. We are also grateful to HKI, BASIC Bank, One Bank, Eastern Bank, Bangladesh Krishi Bank, Bank Asia, Mercantile Bank, EXIM Bank, NGO Affairs Bureau, CHT Regional Council, CHT District Councils, Deputy Commissioners, Upazila Nirbahi Officers and Law Enforcing Bodies for their supports in 2013.

The Governing Body Members played very important role in formulation and implementation of policies relating to various programs. We are very grateful to Governing and General Body Members for their active support and guidance in 2013.

We hope our friends, partners, well wishers will continue to extend their supports in 2014 and ahead.

**Zahirul Alam**

Executive Director, IDF

## **Microcredit Summit Campaign's Goal**

- 175 million of the world's poorest families, especially the women of those families, are receiving credit for self-employment and other financial and business services by the end of 2015; and
- 100 million of the world's poorest families move from below US\$ 1.00 a day adjusted for purchasing power parity (PPP) to above US\$ 1.00 a day adjusted for PPP, by the end of 2015.



## FOUNDER MEMBERS

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## GOVERNING BODY, 2014

### (Picture)

- |    |                                |   |                                          |
|----|--------------------------------|---|------------------------------------------|
| 1. | Mr. A.K Fazlul Bari            | - | Chairman                                 |
| 2. | Dr. Mahmudul Alam              | - | Vice-chairman                            |
| 3. | Mr. Zahirul Alam               | - | General Secretary/<br>Executive Director |
| 4. | Mr. Maung Thoai Ching          | - | Joint Secretary                          |
| 5. | Mr. Mahfuzur Rahman            | - | Treasurer                                |
| 6. | Prof. Shahidul Amin Chowdhury- |   | Member                                   |
| 7. | Mr. Zafar Ullah                | - | Member                                   |
| 8. | Mrs. Hosne Ara Begum           | - | Member                                   |
| 9. | Mrs. Senti Chakma              | - | Member                                   |

## **1. INTRODUCTION**

Integrated Development Foundation (IDF) is a non-profit, non-political and a non-government organization established in December 1992 by Mr. Zahirul Alam, a former ILO staff member and founder member-secretary of the Rural Economics Program of the Economics Department at the University of Chittagong from where Grameen Bank Microfinance Model was developed by Nobel Laureate Prof. Muhammad Yunus in the 1970s.

IDF started its journey with the experiment of Grameen model for the poor in Shoalok Mouza of Bandarban Hill District in 1993 with a seed capital of US\$7,500.00(loan) from Grameen Trust.

At the success of the above pilot project, Swedish International Development Co-operation Agency (Sida) came forward to support IDF for expansion of Grameen model in the whole of Chittagong Hill Tracts in the framework of a long-term (8 years) sustainable plan. The success of IDF subsequently attracted other donors and partners including Government, PKSF, ILO, Helen Keller International (HKI), UNICEF, CARE Bangladesh, AusAID, IDCOL, Grameen Foundation USA, Deutsche Bank, CowBank (Australia), Basic Bank Ltd., Sonali Bank Ltd., Bangladesh Krishi Bank, BRAC Bank Ltd., Bank Asia Ltd., Prime Bank Ltd., One Bank Ltd., Mercantile Bank Ltd., Eastern Bank Ltd., EXIM Bank Ltd. and others.

## **2. VISION**

Create poverty free Bangladesh.

## **3. MISSION**

To combat poverty in the impassable hilly regions and other un-served areas of Bangladesh through organizing the poor and providing them with capital, inputs and services for their socio-economic upliftment.

## **4. OBJECTIVES**

The main objective of IDF is to assist the poor, the landless, the destitute women and children, small farmers and disabled persons in order to enable them to gain access of resources and undertake various income-generating and other activities for poverty alleviation and to enhance their quality of life in terms of health, nutrition, sanitation, education, safe water, housing, power and the environment through building effective institutions of their own, which they can understand and operate and can find socio-economic strength in it through mutual support.

## 5. GOVERNANCE

The supreme authority of IDF is General Body which is composed of 19 members from different professions such as university teachers, Government officials and retired UN officials etc. Apart from General Body, IDF has Governing Body consisting of 9 elected members from the General Body of the Foundation. The General Body is the highest policy and decision making body of IDF. The Governing Body is responsible for the formulation of plan and budget for the programs and projects to be implemented by the organization. The Governing Body evaluates and monitors the implementation of policies, programmes and projects through various monitoring tools and visits to the project areas. A Chairman elected by the General Body heads both General and Governing Body. The Executive Director works as Member-Secretary of both the Bodies.

The Executive Director is the Chief Executive of the Foundation and responsible for the smooth implementation of all activities of the Foundation as per guidance of the Governing Body. He implements the activities through the appointed professionals and support staff of the organization.

## 6. THE OPERATIONAL AREA

The present operational area of IDF is Chittagong Hill Tracts, Chittagong, Cox's Bazar, Dhaka, Noakhali, Chandpur, Comilla, Feni, Laxmipur, Rajshahi, Chapai Nawabganj, Naoga, Natore, Bogra, Hobigonj, Brahmanbaria, Gazipur and Norshingdi.

A brief description of Chittagong Hill Tracts from where IDF started its operation is presented below.

### **Chittagong Hill Tracts**

The Chittagong Hill Tracts (CHT) is a beautiful and strange piece of land with rocks, hills and lakes. These are very difficult and remote areas, inhabited by about thirteen very poor tribes with different languages and cultures. The area is wedged between the Bay of Bengal and the hills of Mizoram of India.

The CHT is a 13,295 sq. km. region of hills consisting of Bandarban, Rangamati and Khagrachari hill districts located in the south-eastern part of Bangladesh. **As per Population Census 2001, the total population of CHT is 1.325 million; of which 52 percent are tribal people.** Historically, Chittagong Hill Tracts enjoyed the status of a self-governing territory and administered by Hill King which continued until the British East India Company annexed Bengal in 1787. The Chakma Raja (King) then signed an agreement with the British after a long armed conflict, under which Chakma territory became a British tributary on the payment of 20 tons of cotton. This was later extended to other parts of CHT. In 1860, the British formally annexed CHT and upgraded its status to a full-fledged district.

The people of Chittagong Hill Tracts are very poor and they live mainly on **Jhum cultivation** and bamboo and wood collection from forests, which are major causes of deforestation and soil erosion in the area. Most people of this area live in absolute poverty. Despite of all the efforts of the government, the people of the Chittagong Hill Tracts still

lack access to various services such as capital, agricultural inputs and extension services, medical facilities, sanitation and safe drinking water. This is mainly because of i) scattered population, ii) poor communication system, iii) remoteness of the area and iv) political problem. The language barrier further aggravates the situation.

The sentiment of the people of CHT was hurt when the construction of 666 meters long and 43 meters high hydroelectric dam at Kaptai started in 1957. The immediate impact of dam was the submergence of a vast area of natural forests and 54,000 acres of arable land (40% of total cultivable lands in CHT) of the area. It also made about 1,800 families homeless. The displaced families were given financial compensation but not properly rehabilitated. As a result, their settlement and construction of new houses in the inaccessible regions led to rampant deforestation. It is also said that some families crossed the border and migrated.

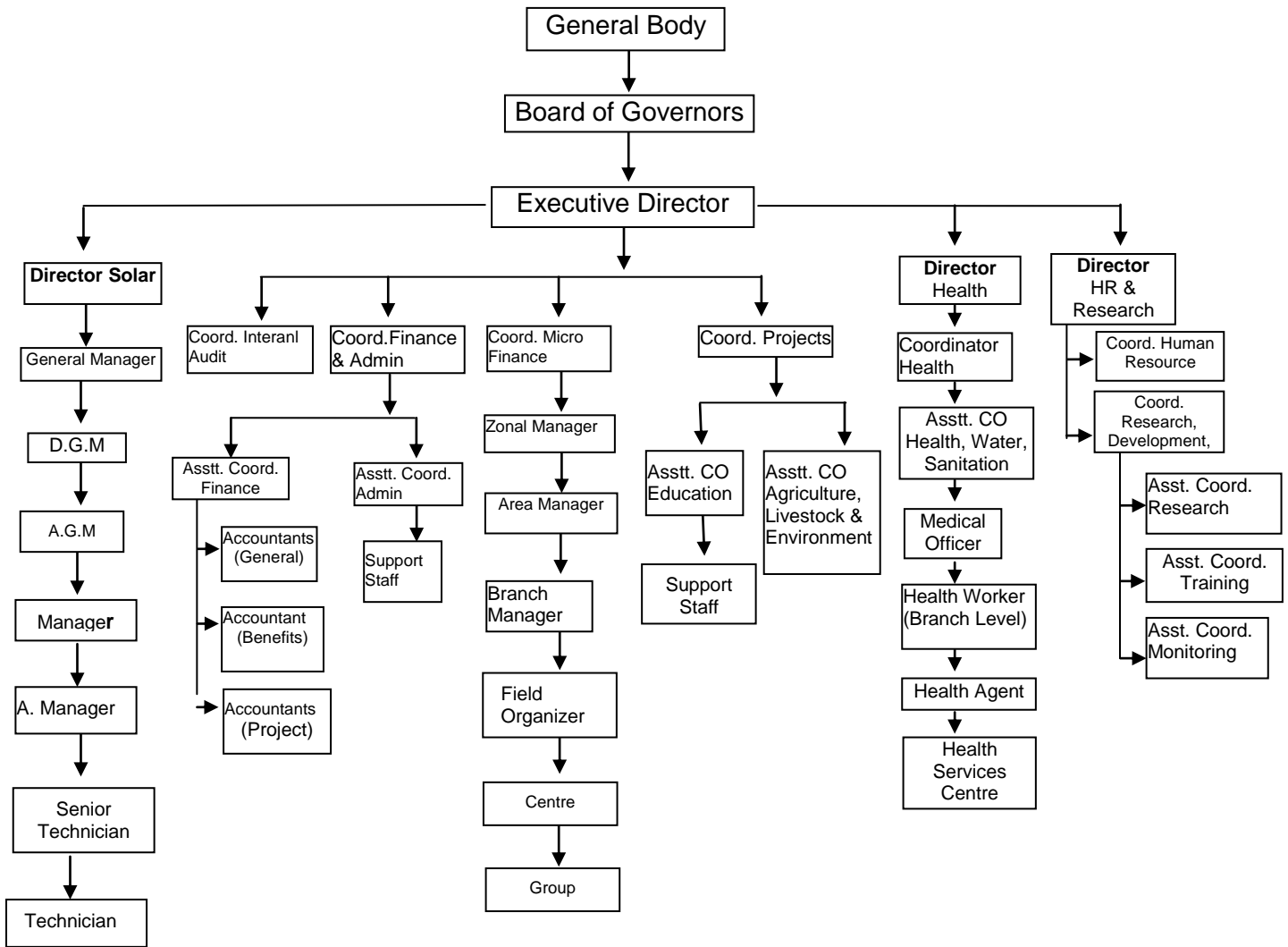
Adverse economic impacts created by Kaptai Dam on displaced people gradually resulted in armed insurgency in CHT. The counter-insurgency measures by the then Pakistan Government through military action worsened the situation. The increased military presence in CHT and search for insurgents created unsettled situation among CHT inhabitants. It was prevailing a very tense situation when IDF started its micro-finance program in CHT in 1993. The situation ease after the signing of Peace Agreement between the Government and Shanti Bahini in December 1997.

## **7. THE ORGANIZATIONAL STRUCTURE**

The General body and Governing body are the supreme authority of IDF. The programs and projects are implemented mainly by Branch Offices supported by Head office, Coordination office and Area offices. The Branch offices work directly with the poor people in their respective areas; organize them with a view to building a receiving mechanism among the poor and implementing various socio-economic programs for them. The branches reach and serve the target populations through centre and groups.

The institutional structure of IDF is shown in Figure-1.

# THE STRUCTURE OF IDF



## FROM MICROFINANCE TO FINANCIAL INCLUSIONS

The financial inclusions of IDF has been developed based on the needs of the members during the last 20 years. It is a continuous process. It will be further developed and improved in future. The inclusions of various products developed and involvement of various stakeholders for serving the un-served population is described as financial inclusions. Financial inclusions is necessary for a poverty focused institution to bring poor people out of poverty trap.

IDF started its journey with microfinance programme in Chittagong Hill Tracts and gradually integrated other products such as health, sanitation & water, eye care, health insurance, life insurance, and risk insurance for projects, education, scholarships, agriculture, livestock, financial literacy, skill development, improve cook, solar home system, mini-grid, mobile banking and disaster management based on the needs of the clients during the last 20 years. IDF implements the above activities in partnership with various government, non-government institutions, banks and donors. The description of this activities has been provided in this report.

### 8. MEJOR PROGRAMS/PROJECTS

IDF is implementing a couple of development programs and projects to eliminate poverty in the hilly regions as well as some other parts of the country. At the begging of its journey, it gave only financial supports to the poor people but now it works in many other field of human development.

2014 is the 21<sup>st</sup> year of IDF operations in poverty alleviation and social economic development in Bangladesh. This annual report presents the overall progress of IDF activities in 2014. It also presents year-wise summary report up to December 2014. The major programs implemented in 2014 are:

- 8.1** Microfinance
  - 8.1.1 Beggar Program
  - 8.1.2 Poor and Ultra Poor
  - 8.1.3 Micro-enterprise
  - 8.1.4 Savings and Credit
  
- 8.2** Renewable Energy (Solar Home System)
- 8.3** Health, Water and Sanitation
- 8.4** Emergency Fund (Micro Insurance)
- 8.5** Eye Care
- 8.6** Child Labour & Non Formal Education
- 8.7** Agriculture & livestock
  - 8.7.1 Agriculture
  - 8.7.2 Livestock
  - 8.7.3 IDF Integrated Farm
- 8.8** Improved Cook Stove



Picture



Picture



- 8.9 Skill Development
- 8.10 Housing
- 8.11 Scholarship Program
- 8.12 Automation
- 8.13 Disaster Management
- 8.14 Environment
- 8.15 Gender Promotion
- 8.16 Medicated Mosquito Net
- 8.17 Zero Fly Net

## 8.1 Microfinance

IDF started microfinance program at the very beginning of its journey and still it is the key component of the organization though meanwhile many other kinds of products have been developed.

In the meantime many of IDF clients who started from ultra poor gradually graduated to micro-entrepreneurs and are contributing very important role in economic growth of the country. These are great achievement of the organization. IDF's clients broadly can now be classified into four categories such as:

- Beggar
- Ultra Poor
- Poor
- Micro-entrepreneur

The different categories of members by number, loan outstanding and savings as of December 2014 are shown in the Table below:

*Table1: Members of Microfinance Program by category, loan portfolio and savings*

Categories of Clients	Member		Loan Outstanding (m Tk)		Savings (m Tk)	
	In 2014	Cum.	In 2014	Cum.	In 2014	Cum. 2014
Beggar	-119	340	-0.02	0.32	-0.01	0.06
Poor & Ultra poor	2144	104456	154.21	931.50	77.72	454.13
Micro-entrepreneur	2094	5624	95.12	233.36	12.88	61.73
Total	4119	110420	249.31	1165.18	90.59	515.92

### 8.1.1 Beggar Program

In order to support the most vulnerable people especially the beggars in the society, IDF launched a separate program called beggar program in May 2006 with the financial and technical assistance of Grameen Trust. The objectives and status of the program are described below.

**Objectives:**

- Build confidence and capacity of beggar;
- Enable them to gain access to resources and provide credit to undertake various income generating activities;
- Turn the beggar into productive manpower;
- Improve their overall socio-economic status.

**Basic features are:**

- Existing rules of IDF do not apply to beggar members.
- All loans are interest free.
- Beggar members are covered insurance program of IDF.
- Each member receives an identity badge with his/her photograph and logo of IDF.
- Beggars are not required to give up begging. During begging they have to do their business.

**Table 2: Status of Beggar Program as on 31 December 2014**

Particulars	Upto 2013	In 2014	Upto-2014
No. of Branch	28	(-8)	20
No. Member	459	(-119)	340
Disbursed (m)	2.12	-	2.12
Outstanding (m)	0.34	(-0.02)	0.32
Repayment Rate	100%		
Savings (m)	0.07	(-0.01)	0.06

**8.1.2 Poor and Ultra Poor Program**

In 1993, IDF started this program in Bandarban Hill District with the assistance of Grameen Trust and meanwhile expanded to different part of the country. The demand of this program is very high in the field as still a huge number of poor and ultra poor people are living in the society.

The objectives and present status of the program are presented below.

**Objectives:**

- Build confidence and capacity of the poor and ultra poor;
- Organize and build a receiving mechanism of the poor and ultra poor through which they can receive their necessary services, inputs and financial assistance for the improvement of their socio-economic status.
- To alleviate poverty from the very grass-root level of the country.

**Table 3: Status of Poor and Ultra Poor as on 31 December 2014**

Particulars	Upto 2013	In 2014	Upto 2014
No. of Branch	75	-	75
No. Member	102312	2144	104456
Loan disbursed (m)	9,982.41	952.94	10935.35
Loan outstanding (m)	777.29	154.21	931.50
Repayment Rate (%)	100	--	100
Savings (m)	376.41	77.72	454.13

**Loan ceiling for:**

Ultra poor	:	Up to Tk.8,000
Poor	:	Tk 8,001 - 30,000

**Ultra Poor with PKSf Assistance**

The program covered 4,240 ultra poor families of 21 branches with seed capital from PKSf since November 2005. The particulars of the operation of PKSf funded ultra poor as of 31 December 2013 are presented below:

Particulars	Upto 2013
No. of member	4,253
Loan disbursed	24.08m
Loan repaid	24.08m
Outstanding	--
Rate of repayment	100 %
Amount of savings	3.75m

**8.1.3 Micro-Enterprise**

IDF introduced this product in 2002 for the graduate members. Many beneficiaries under micro-finance program who attained their capacity to utilize and manage bigger income-generating activity, IDF initiated this program for them. The graduate members can receive up to one million taka depending on the projects and their capacity. The detail objectives of the program are:

- Create new employment opportunities
- Increase income of the family
- Increase living standard
- Increase production of local products
- Enhance efficiency of entrepreneurs

As at December 2014, a total of 5624 members received 1192 million taka under this program. The criteria of selection of a member for this product are as follows;

***Criteria of Graduate Member***

- Graduate members who developed capacity to manage bigger loans.
- Received Enterprise Development and Business Management (EDBM) Training;
- 90% attendance in the weekly/fortnightly meetings;
- 100% proper utilization of previous loans;
- Good track record of business;
- At least 10% of the proposed loan are accumulated in her Savings account;
- Willing and able to participate at least 10% of the investment in the Enterprise;
- Cooperation and involvement of family members in the Enterprise;
- Regular deposit in savings account;
- Willingness to attend monthly cluster (20 members) meeting.

***Loan terms***

- Working Capital : 01 year
- Fixed Capital : 02 years

***Loan repayment conditions***

- 1 month grace period
- Weekly installment
- Fortnightly installment or
- Monthly installment

***Risk Insurance***

- Premium: 0.95% of the disbursed amount
- Risk coverage: 50% of the disbursed loan in case of the damage of activity due to accidents or any natural disaster.

***Table 4: Status of Micro-enterprise as on 31 December 2014***

<b>Particulars</b>	<b>Upto 2013</b>	<b>In 2014</b>	<b>Upto 2014</b>
No. of Branch	59	12	71
No. Member	3530	2094	5624
Loan Disbursed (m)	775.5	416.68	1192.18
Loan Outstanding (m)	138.24	95.12	233.36
Rate of payment (%)	99.39	0.	99.65
Amount of Savings (m)	48.85	12.88	61.73

**Table 4: Status of Micro-enterprise as on 31 December 2013**

<b>Particulars</b>	<b>Upto 2012</b>	<b>In 2013</b>	<b>Upto 2013</b>
No. of Branch	57	2	59
No. Member	5,749	6,449	12,198
Loan Disbursed (m)	674.96	100.54	775.5
Loan Outstanding (m)	99.65	38.59	138.24
Rate of payment (%)	99.37	99.41	99.39
Amount of Savings (m)	32.06	16.79	48.85

#### **8.1.4 Savings and credit by size, number and amount**

##### **i) Savings**

Savings is one of the important products of IDF. IDF offers four kinds of savings to its members. During any crisis, the members can use their saving without any restriction. Many borrowers do not withdraw their savings and try to make it more healthy as they have plan to use it as capital in future.

At the end of December, 2014 total no. of retained savers and amount of savings are respectively 1,08,514 and Tk.425.33(m). The No. of savers and their savings are shown by savings size in the table below:

**Table 5: Distribution of Savers as of 31 December 2014 by size and amount**

<b>Savings size</b>	<b>Number</b>	<b>Amount (m. Tk.)</b>
Upto 2,000	48,605	61.25
2001 - 5,000	34,425	79.89
5001 - 10,000	11,632	98.35
10001 - 20,000	9,162	121.18
Above 20,000	6,596	155.25
Total	110,420	515.92

ii) *Credit*

The total No. of retained borrowers and amount of loan disbursed on 31 December, 2013 are respectively 83,826 and Tk.1,674.17 (m). The No. of loans and size are shown below.

**Table 6: Distribution of loan disbursed in 2013 by size, number and amount**

<b>Loan Size (in Tk)</b>	<b>Number</b>	<b>Amount (M.Tk.)</b>
4001 - 10000	31,075	267.31
10001 - 30000	48,367	928.28
30001 - 50000	2,347	83.12
50001 - 100000	1,090	102.09
100001 - 300000	863	261.16
Above 300000	84	32.21
<b>Total</b>	<b>83,826</b>	<b>1,674.17</b>

**Growth of Members and Savings**

Table below shows the growth trend of members and savings during 2009-13. It also shows trend of geographical expansion of the organization.

**Table. 7: Growth of members and savings during 2010-14**

<b>Sl. #</b>	<b>Component</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
1.	Member (by year)	3.442	4.820	9.360	12,202	1906
2.	Member (cum.)	82,132	86,952	96,312	108,514	110420
3.	Group (cum.)	19,894	20,799	22,072	24,808	26902
4.	Centre (cum.)	3,716	3,993	4,284	5,140	5243
5.	Branch (cum.)	58	62	75	75	75
6.	Union (cum.)	307	317	325	408	411
7.	Upazila (cum.)	82	82	85	89	57
8.	District (cum.)	7	7	10	13	13
9.	Savings (by year)*	33.25	42.5	37.35	32.67	90.59
10.	Savings (cum.)*	262.81	305.32	392.66	425.33	515.92
11.	Average Savings (cum.)	3,199	3,511	4,076	3,920	4672

**Note:** 1. cum. = Cumulative, \* = Figure in million Taka.

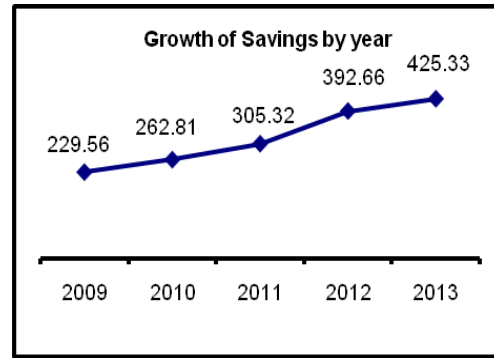
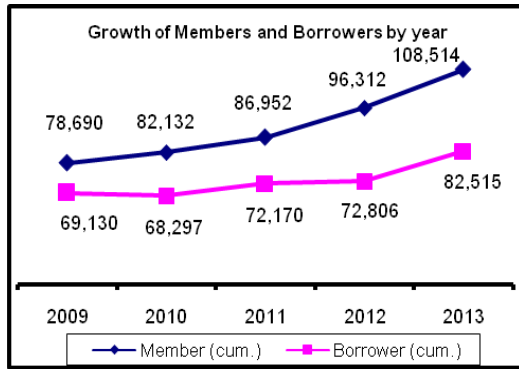


Table below shows the growth trend and status of loan operations during 2009-13.

**Table 8: Growth and status of loan operations during 2010-14**

Sl. #	Component	2010	2011	2012	2013	2014
1.	No of loans (by year)	70,038	73,786	77,560	83,826	91910
2.	No of loans (cum.)	641,954	715,740	793,300	877,126	969036
3.	Borrower (cum.)	68,297	72,170	72,806	82,515	80361
4.	Loan disbursed (by year)*	950.8	1,279.45	1,476.9	1,674.17	2173.54
5.	Loan disbursed (cum.)*	5,525.6	6,805.05	8,281.95	9,956.12	12129.66
6.	Loan due (by year)*	931.07	1,172.08	1,350.6	1,536.74	
7.	Loan due (cum.)*	5,017.43	6,189.51	7,540.11	9,076.85	
8.	Loan realized (by year)*	915.88	1,163.76	1,334.13	1,556.21	1925.36
9.	Loan realized (cum.)*	4,967.92	6,148.78	7,482.91	9,039.12	10964.48
10.	Outstanding increase (by yr.)*	104.94	101.78	139.86	116.56	249.31
11.	Loan outstanding (cum.)*	557.68	659.45	799.31	915.87	1165.18
12.	Loan overdue*	43.84	40.73	50.7	45.86	58.00
13.	Portfolio at risk >30 days*	3.06	3.97	3.02	4.72	4.58
14.	Average loan size (4/3)	13,921	17,728	20,285	20,289	27047
15.	Average outstanding (cum.) (11/3)	8,165	9,137	10,978	11,099	14499
16.	Rate of repayment (by year)	98.36%	99.29%	99.54%	99.58%	99.95%
17.	Rate of repayment (cum.)	99.01%	99.34%	99.39%	99.58%	99.95%

*Note:* 1. cum. = Cumulative, \* = Figure in million Taka.

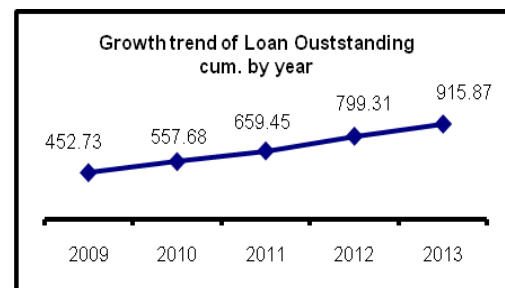
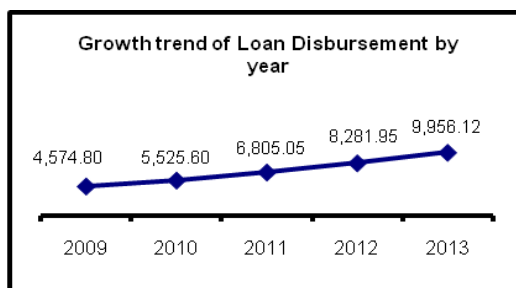


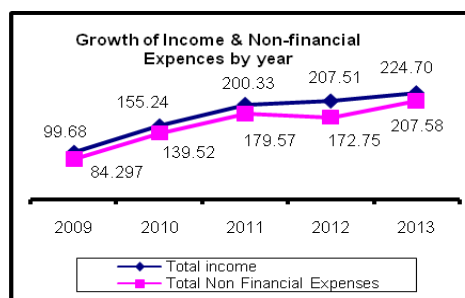
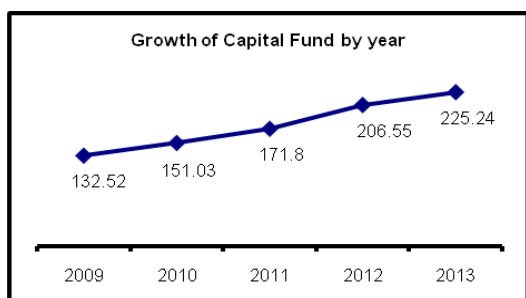
Table below shows the trend of financial growth of the organization for 2010-14.

**Table 9: Financial Growth for 2009-13**

*(Currency figures are in million Taka)*

Particulars	2010	2011	2012	2013	2014
<b>A. CAPITAL FUND</b>					
01 Capital Fund / Equity	151.03	171.8	206.55	225.24	267.33
<b>B. SERVICE CHARGE</b>					
02 Rate of Service Charge (Declining Method)					
General Loan	25%	25%	25%	25%	25%
Ultra Poor	20%	20%	20%	20%	20%
Housing Loan	8%	8%	8%	8%	8%
Project Dignity	0%	0%	0%	0%	0%
03 Inflation rate	6%	6%	7.50%	7%	7%
<b>C. INCOME</b>					
04 Service Charge income from clients	112.96	145.71	193.28	210.37	251.33
05 Other income	42.27	54.61	14.23	14.33	22.87
06 Total income	15.52	200.33	207.51	224.70	274.2
<b>D. NON-FINANCIAL EXPENSES</b>					
07 General Operating Expenses (Salaries, rents, utilities, cost of fund etc.)	130.54	171.63	158.79	191.85	221.38
08 Depreciation on fixed assets	1.59	1.86	2.11	2.42	2.65
09 Loan loss provision expense	7.38	6.08	11.85	13.31	9.22
10 Total Non Financial Expenses	139.52	179.57	172.75	207.58	233.25
<b>E. ADJUSTED FINANCIAL EXPENSES</b>					
11 Adjusted Financial Expenses (Line-1 multiplied by line-3)	9.06	10.31	15.49	15.77	18.72
12 Total Expenses (Line-10 plus line-11)	148.58	189.87	188.25	223.35	251.97
13 Operational Self Sufficiency (OSS) (Line-6 divided by line-10)	111.26%	111.56%	120.12%	108.25%	117.56
14 Financial Self Sufficiency (FSS) (Line-6 divided by line-12)	104.48%	105.51%	110.23%	100.61%	108.83





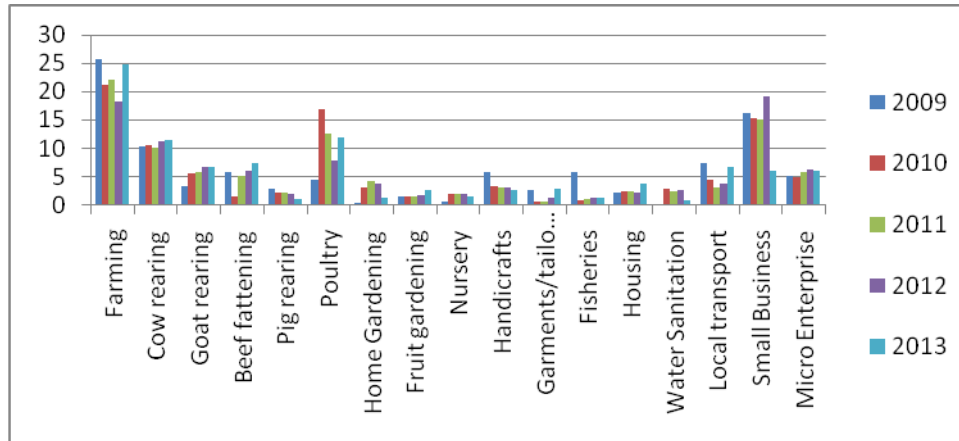
### 8.1.5 Loan by purpose

IDF clients receives loan for various purposes. Most of them are related to agricultural activities, animal husbandry, poultry, gardening and micro-enterprise businesses.

**Table 10: Percentage of Loan by Purposes**

*(Figures in percent)*

Sl. #	Purpose	2010	2011	2012	2013	2014
01.	Farming	21.12	22.13	23.40	24.72	25.72
02.	Cow rearing	8.50	10.2	12.2	11.60	12.01
03.	Goat rearing	5.71	5.81	7.75	6.72	4.00
04.	Fruit gardening	16.40	16.1	8.6	7.47	6.74
05.	Pig rearing	2.36	2.3	4.4	1.22	1.00
06.	Poultry	20.02	12.60	11.7	11.88	9.89
07.	Home gardening	3.10	4.3	4.40	1.31	5.59
08.	Local transport	2.44	2.1	2.5	2.66	2.42
09.	Nursery	0.97	1.11	1.1	1.51	2.92
10.	Handicrafts	3.45	3.1	3.2	2.74	1.64
11.	Garments/tailoring	0.75	0.75	0.75	2.98	1.86
12.	Fisheries	0.92	1.2	1.2	1.42	3.59
13.	Housing	6.42	3.5	3.2	3.82	5.52
14.	Water sanitation	2.94	2.4	2.5	0.98	1.15
15.	Beef fattening	1.51	5.1	4.5	6.70	4.05
16.	Small business	1.53	1.51	3.4	6.09	5.7
17.	Micro enterprise	1.87	5.8	5.2	6.18	6.2
<b>Total</b>		<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100</b>



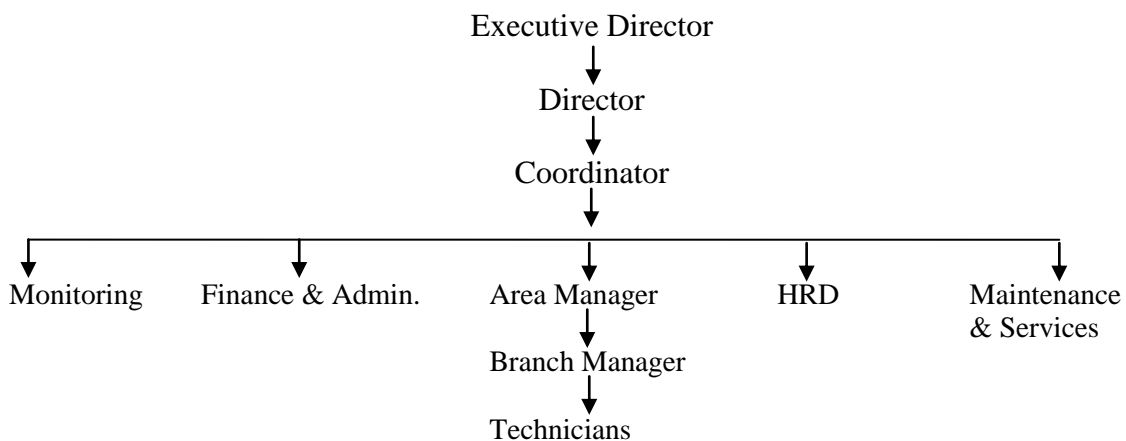
## 8.2 Renewable Energy Program (Solar Home System)

IDF started Solar Home System Program with the assistance of Infrastructure Development Company Limited (IDCOL), a government owned company in 2003. The main purpose of this program was to provide electricity to the rural and remote areas where people do not have access to power grid. IDF provides medium and long-term credit facility to procure these systems. IDF with three other partners established a 100kw mini solar plant in Shandwip, an isolated island of Chittagong district with the assistance of IDCOL.

IDF has established a separate management team who are responsible to maintain the quality of the service as well as its operation. It has a separate coordination office from where the Coordinator manages the whole operation. It has also separate area office, branch office and employees completely for this program. There is a strong monitoring and evaluation mechanism in IDF's solar program. The recovery rate of loan in the solar program is 99.23%.

An efficient servicing facilities system is developed to support the clients. Efficient services to clients are ensured in two ways such as:

- Through technicians at the field level.
- Customers training on the use of SHS.



The districts covered by solar program are 03 districts of Chittagong Hill Tracts, Chittagong, Cox's Bazar, Noakhali, Chandpur, Comilla, Feni, Hobigonj and Brahmanbaria.

**Source of Fund:** IDCOL is the main source of fund of IDF SHS program. In the year 2014, IDF received the total amount of grant from IDCOL is Tk. 2,12,53,126 and cumulative is Tk. 6,29,65,350. Loan received in 2014 is Tk. 10,89,30,949 and the cumulative amount of loan is Tk.54,40,70,926. As of 31<sup>st</sup> December 2014, IDF repaid Tk. 11,58,81,126 as principal amount.

The progress of Solar Home System Program is shown in table below.

**Table 14: Progress of Solar Home System Program**

<b>Particulars</b>	<b>Upto 2013</b>	<b>In 2014</b>	<b>Cumulative</b>
System Installed (No.)	38149	17721	55870
Loan disbursed (m)	701.06	296.74	997.80
Loan repaid (m)	378.22	270.98	649.20
Loan outstanding (m)	322.84	25.76	348.60
Repayment Rate	99.23	99.23	99.23

### **8.3 Health, Sanitation and Water**

In order to provide health service and safe water to Hill Tracts people particularly in remote hill areas, IDF started this program in 1995 with the assistance of Sida in Chittagong Hill Tracts

In 1996, IDF launched a survey on the sanitation and water in selected villages of Bandarban Sadar and revealed that about 95% households had no sanitary latrine and almost all rural households did not have access to safe water. The situation has much improved now due serious intervention of IDF and various Government departments.

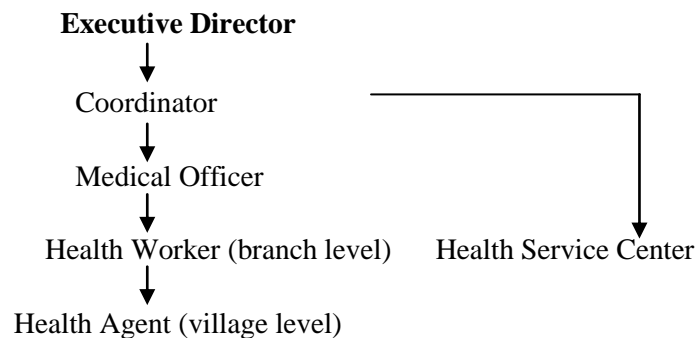
IDF developed this program during the past years. IDF implements this program through medical officers (MBBS), health workers and health agents at centre level. The members in the "Centre" selects health agent/secretary from amongst the members in each centre. One health agent/secretary can look after more than one para (sub-village). Health agents are the motivators and contact persons at para levels. Health agents are provided training on causes of common diseases, primary health care, reproductive and child health, safe water and sanitation, HIV/AIDS and eye care. Health agents provide health related counseling to the members and report any illness or sickness of members or their family members to the branch managers who immediately take necessary action for treatment. The health workers work under the supervision of Area Manager or Branch Manager depending on the place of posting.

At the end of the year, IDF has started to recruit paramedics to appoint at the branch level so that all the members and their family people are receiving regular health service.

The organization is also piloting a scheme to see whether full health support including doctors check up, medicines and transport allowance could be provided to the members and their family members with the premium collected. The members get doctor's advice, free medicines, and tests for diabetics and pregnancy and transport cost.

The organizational structure of IDF health program is shown below.

**Figure- 2: Structure of Health Program**



**Objectives**

- To make the poor people aware of health problems and the causes of common diseases.
- To ensure access of the poor people to health services, safe water and sanitation.
- To make the people conscious about the safe motherhood and child health.

**Present Status**

No. of Health centre : 1  
 Health Spot : 03

**Clinical Services in 2013**

- General Patient : 6,820
- STD Patient : 35
- Eye Patient : 52

## 8.4 Emergency Fund (Micro Insurance)

### 8.4.1. Introduction

IDF observed that most of the members and their family members suffer from various common diseases and spend lot of money for medical treatment. Most cases they use money from their business or borrow from money lenders which make their economic situation worse. Group members asked to find some solutions/safety nets to address this common problem. We had serious discussions with group members and filed staff for about a year.

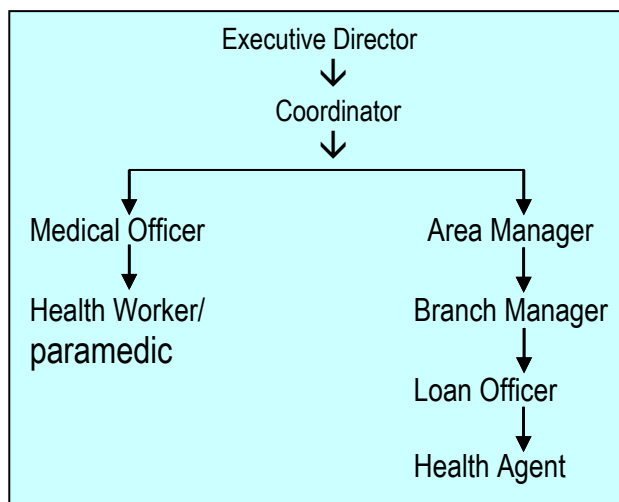
We, therefore came up with the idea of forming an “EMBERGENCY FUND” with joint contribution of IDF and group members. The main purpose of the creation of this fund was to support group members and their family members in case of sickness or death. This program was finally launched in October 1997. IDF later also introduced “Risk Insurance” for damages or losses of projects undertaken by the group members with loans. IDF also explored the possibility of getting micro-insurance services to cover these risks from the insurance companies and revealed that the insurance companies were very expensive and not affordable by the poor.

### 8.4.3 Methodology

IDF uses its branch network of microfinance to implement its micro-insurance program. IDF reaches its clients through its branches. One paramedic/ health worker is assigned in one/two branch to provide health services to members and their spouses and children.

The members can pay the premium in installments. The premium is collected by the loan officers along with loan installments during the centre meeting.

Diagram: Institutional Structure



In case of any claim for sickness, death or disaster or activity damage; the client informs respective loan officer who along with branch manager investigate the case.

The branch manager is authorized to pay a certain portion of the claim for immediate use in case of sickness and death. The remaining claims for medical treatment or death are settled after the approval of the approving authority. In case of activity damage, the total claims are paid in one installment after the approval of the approving authority.

#### 8.4.4. Components

IDF micro insurance scheme has 4 components.

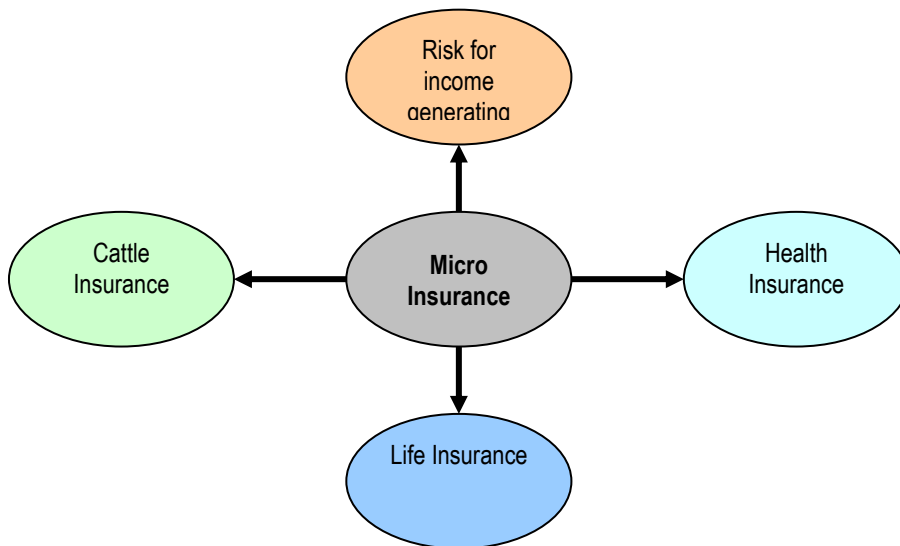
These are:

- i) Health;
- ii) Death (Life);
- iii) Risk Insurance (Damage/loss of activities) and
- iv) Cattle.

##### a) Health and Death Insurance

Health and death coverage are met from same fund named “Emergency Fund”. Damages or losses of activities are met from another fund named “Risk Fund” while losses of cattle are met from “Cattle Fund”.

#### Diagram: Components of Insurance Scheme



#### *Creation of Fund and coverage*

In 2014, IDF has brought some revisions on the coverage as well as on premiums. The members pay this premium in weekly installments.

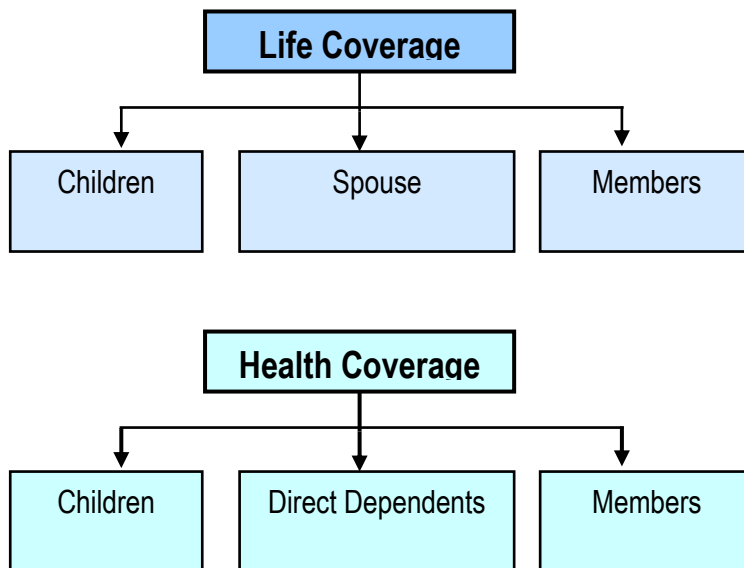
**Health premium:** Members pay Tk. 152 of the loan amount up to 25000. If the loan amount exceeds 25000, on that case they pay 0.6% of the loan amount.

Coverage: The whole family of the member is insured under this scheme. A maximum amount of Tk.2,000 is paid for the treatment in each case. In case of hospitalization, the amount of claim is estimated on the basis of expenses of public hospital. The medical officer examines each case before the approval.

**Death premium:** Members pay Tk.40 for funeral support and 0.7% of the loan amount to for waive up the outstanding loan amount.

Coverage: In case of the death of a member or spouse or assigned person in absence of spouse the entire outstanding loan amount will be waived and the deceased family are immediately supported by Tk. 5000 for funeral purpose.

**Diagram: Coverage**



**b) Risk Insurance**

The member pays 0.7% of the loan money as premium to cover risks of projects under this scheme. If, the insured project suffers a damage or loss, the member gets a maximum 50% of the loan money depending on the extent of damage. For the claims, the member has to apply through a prescribed format at the centre which later processed through branch and area office. After a physical verification, the responsible officers recommend the amount. After the physical verification, the Executive Director finally approves the claims. All claims are settled within 30 days after submission of application for claims. The members can collect the claims from the branch office. The coverage will be increased gradually depending on the size of fund.

### c) Live Stock Insurance

In 1997 IDF introduced Live-stock Insurance. IDF members who take livestock loan must undertake insurance policy so that they might get risk coverage against sickness or death of cattle.

Now members pay .7% of the loan amount for waive up the outstanding loan amount in case of death of live stock and Tk. 20 for parevat fee in case of sickness of live stock.

Initially the rate of premium was 1.00% of the disbursed loan and the rate of risk coverage was 20% of the loan money. In 2009 the coverage was enhanced to 50% of the loan money.

### 8.4.5 Present Status

The members found micro insurance as an important tool for their protection against diseases, death, damage or losses of activities and work as safety-nets against accidents and disasters. The progress of micro insurance program for 2013 is shown below.

**Table 11: Claims met as of December 2014**

Component	No. of claims met		Amount paid in BDT (m)	
	In 2014	Up to 2014	In 2014	Up to 2014
Health Insurance	8893	49,189	5.46	36.66
Life Insurance	865	8168	5.03	32.13
Risk Insurance/Cattle	28	164	0.46	1.48
Total	9886	57521	10.95	70.27

### 8.5. Eye Care

Facilities for eye care are almost rare in rural part of the country though eye problem is very common in Bangladesh. The people of Chittagong Hill Tracts are more vulnerable in eye health. IDF initiated this component through eye camps in collaboration with Lions Club of Chittagong Southern in Bandarban in 2002. The costs of surgery cases were shared jointly by IDF and Lions Club. The component was undertaken as project by IDF in 2004 with the assistance of Helen Keller International (HKI) and CEITC (Chittagong Eye Infirmary Training Centre). CEITC provides training to IDF health worker and treatment including operation to poor patients referred by IDF. IDF is continuing this activity as a regular program after the completion of project in 2006.

### Objectives

- Raise awareness on eye care and blindness among the common poor people;



- Provide primary diagnosis, treatment and referral support;
- Provide medical services at nominal cost to the poor;
- Prevent eye diseases from maiden period and provide services at the grass-root level.

The services provided in 2013 are shown in table below:

**Table 12: Eye related services and activities in 2014**

Name of Services	Number		
	Up to 2013	In 2014	Up to 2014
1. Operation	79	05	79
2. Treatment	907	52	959
3. Refractive Error treatment	318	35	353
4. Participants on Health Education Session	8,685	36	8721
5. Number of Staffs/Health agents training	43	16	59
6. Participant on Staff/Health agents training	565	220	785
7. Number of Beneficiaries training	737	130	867
8. Number of Participant on Beneficiaries training	17,727	3250	20977

## 8.6 Child Labour and Non-formal Education

IDF has been implementing this component since 1994. The main objectives of this program are:

### Objectives

- Raise awareness on child rights and education;
- Provide basic education (read, write and count) to poor children who are dropped-out;
- Reduce illiteracy rate;
- Provide micro-credit support to the parents of poor children;

### *Supply of Educational material in 2014:*

- Books - 360 sets
- Note book - 1080 pcs
- Sharpener - 720 pcs
- Eraser - 720 pcs
- Pencil - 720 pcs
- Colour Pencil - 720 sets
- Primary health check - 2 times/year
- Conducting examination - 3 times/year

**Table 13: Status of Non-formal Education in 2014**

Components	Up to 2014
No of School	12
No of Students	360
No of Teacher	12

## 8.7 Agriculture & Livestock

Agriculture and Livestock are important programmes of IDF. It has two types of program i.e. core programs and PKSf projects. Core programs are subdivided into 3 units such as are agriculture, livestock and fisheries.

Progress as of 31<sup>st</sup> December, 2014 is given below:

- Homestead gardening- 77
  - Model home garden—22
  - Central Nursery-1
  - Nursery at members level-22
  - Model nursery in member level - 3.
- 
- Conducted 150 Kendro Workshops on Homestead Gardening covering 5,000 beneficiaries.
  - Distributed 1200 kg. hybrid maize seeds to farmers in Lama and Rajasthali upazilla.
  - Distributed various types of seeds (vegetables, fruits and woods to the farmers.
  - 1,03,000 saplings produced in central and office Nursery in 2013.

### 8.7.2 Livestock

#### *Progress in 2013*

- Distributed beef fattening loan of Tk. 3,50,00,000 amongst 2,500 members.
- Distributed Agriculture Sector Microcredit (ASM) loan of Tk. 9,50,00,000 amongst 5,550 members.
- Conducted 15 training on Beef fattening covering 375 members and 15 training on milch cow rearing covering 375 members.
- Provided Vaccines to 11,750 cattle, 5000 goat, and 39,000 poultry
- Provided treatment to 9,136 cattle, 3840 goat and 39,410 poultry.
- Distributed 3500 de-worming tablets for cattle and goats.

## 8.8 IDF Integrated Farm

IDF established an “Integrated Farm” in 2009 in the village Rasulpur of Matiranga Thana in Khagrachari. The total area of this farm is about 40 acres consisted of

hills, lakes and plains. The farm has various fruit trees, herbal plants, fish culture, paddy cultivation, ginger and turmeric cultivation, vegetable cultivation beef fattening and goat rearing. IDF has plan to establish for the poor farmers with demonstration facilities in this premises an Agricultural Training Centre in 2014.

### **Progress**

In the last 5 years IDF has implemented many of its plans on the farm. 80% of the fruit trees and herbal plants have already been planted. A total of 10,800 trees are planted. In 2014, turmeric and vegetable are cultivated in 3 acres of land. Sheds and other structures are made for cattle fattening in 2013. For fish culture, small dams are made to create water body. The construction of training center will be started soon.

At present 1 supervisor, 1 farm manager, 2 permanent workers and 8 part time workers are engaged in the farm.

## **8.9 Improved Cook Stove Programme**

IDF Improved Cook Stove (ICS) is a stove that produces more heat with less smoke and fuel wood compare to the traditional stoves. ICS has been proved to be cost effective, safer and environment friendly. IDF provides financial and technical support to the clients for its installation and use.

The main advantages of this program are:

- Decrease the use of fire-wood and save environment;
- Reduce fuel crisis and cooking cost in the families which use traditional wood-stoves;
- Mitigate health hazards of wood-stove users.
- Save cooking time and Improve cooking efficiency.
- Cooking pots comparatively remains clean.
- The kitchen does not get much dirty.
- Less possibility of fire accident.
- Less amount of carbon dioxide produce.

Considering the demand and advantage of Improved Cook stove in the household, IDF undertook this program in May 2008 with the assistance of German Technical Cooperation (GTZ). However, IDF has signed an agreement with IDCOL to strengthen and expand this programme. IDF has planned to establish 4 clusters in 4 different upazila for the production and marketing of ICS with assistance of IDCOL.

As of December 2014, IDF has installed a total of 2485 ICS.

## **Financial Education**

IDF started financial education programme for its members since its inception. IDF provides knowledge on literacy, simple accounting, group management and terms and conditions of microfinance to its members before they enrolled as members of IDF. The members had to go through a test before they are recognized as members.

IDF restructured and improved the methodologies and materials of its financial education programme after the participation in the Citi-FT Financial Education Summit in New Delhi about 8 years ago. IDF later also improved and intensified the financial education programme for the graduate members, particularly by improving training module and strengthening the training on “Enterprise Development and Business Management”. IDF plans to establish an Agricultural Training Centre for the poor farmers in Chittagong Hill Tracts in 2014-15 where they will receive financial education with practical demonstration on various income generating activities.

## **Skill Development**

IDF provides various types of training to its members for enhancing their functional skills through which they can earn additional income. These are mainly group management, nursery, home-gardening, vegetable and fruits gardening, cutting & tailoring, cattle fattening, milk cow rearing, Enterprise Development and Business Management, product designing and mushroom production.

### **Objectives**

- Assess needs and organize skills training for its group members;
- Train members on group management, nurseries, home-gardening, cattle fattening etc. As per needs;
- Increase income of poor rural women and
- Raise awareness of woman on rights.

In addition to training on agriculture and livestock, IDF provided Enterprise Development and Business Management (EDBM) training to the members as shown below.

- EDBM Training : 463 Persons
- No. EDBM workshops : 18

## **8.11 Housing**

IDF introduced this program in 2004 with the assistance of Grihayan Tahabil, Government of Bangladesh. The main objective of this program is to provide

shelter to poor homeless families with safe water and sanitation facilities. The government project was completed in 2009. IDF covered 300 families under this project. After that IDF continued this project with its own source.

**Table 15: Status of Housing Program on December 2014**

<b>Particulars</b>	<b>As on Dec. 2014</b>
1. No. of houses	300
2. Total amount disbursed	60,00,000
3. Total amount repaid	60,00,000
4. Total amount outstanding	-

## **8.12 Scholarship Program**

Many children of IDF clients are performing very well at different levels of examinations in schools and colleges. To encourage and assist the children, IDF introduced this program with the Award Money of US\$ 10,000 (Taka 6,00,000) from Grameen Foundation USA in 2004. Grameen Foundation USA was very pleased at the use of “Award Money” and success of scholarship program and added US\$ 1,00,000 to this fund in 2006. The scholarship fund is created from the income of this two funds. The details of scholarship program are as follows.

### **◆ Objectives**

- Provide financial support to the children of poor families, particularly IDF members to get access to education.
- Encourage children to make good result
- Contribute to human resources development of the country

### **◆ Eligibility**

- i) Children of grade 3 to undergraduate of IDF poor clients.
- ii) At least 60% marks in the last annual exam in case of class III-X.
- iii) Grade ‘A’ in case of tribal and Grade ‘A+’ in case of non-tribal in SSC, HSC and undergraduate and graduate levels.

### **◆ Fund Formation**

- Income from
  - GFUSA Award Money
  - GFUSA grants
  - IDF contribution
  - Others

### **◆ Selection Procedure**

- a. Primary identification and application are received by branch manager with the help of field organizers.
- b. Results of last annual exam, performance in the class and manners are mainly considered during the selection

- c. Scholarship Committee selects new students and reviews the old one for renewal of scholarships.

**Table 16: Number and amount of scholarships by class per year**

Class	No. of Students	Scholarship/ month/student	Scholarship in 2014 (Tk.)	Books and other materials (Tk.)	Total (Tk.)
III – V	120	100	1,44,000	24,000	1,68,000
VI – VIII	90	150	1,62,000	45,000	2,07,000
IX – X	50	175	1,05,000	50,000	1,55,000
XI – XII	40	300	1,44,000	40,000	1,84,000
Undergraduate(4 years)	20	600	1,44,000	20,000	1,64,000
<b>Total:</b>	<b>320</b>	<b>1325</b>	<b>6,99,000</b>	<b>1,79,000</b>	<b>8,78,000</b>

**Table 17: One time Scholarship provided (Regular)**

Year	Class	No.	Amount
2005	HSC	15	15,000
2006	HSC	20	20,000
2007	SSC	20	20,000
2008	SSC	20	20,000
2009	SSC	30	30,000
2010	SSC/HSC	20	20,000
2011	SSC/HSC	10	10,000
2012	SSC/HSC	10	10,000

**Total: Year wise scholarship 2005-2014**

Year	No.	Amount	Cumulative
2005	26	54,000	54000
2006	50	104,000	158000
2007	60	168,300	3,26,300
2008	192	386,700	7,13,000
2009	192	390,900	11,03,900
2010	278	752,300	18,56,200
2011	306	770,300	26,26,500
2012	314	842,800	34,69,300
2013	316	8,11,600	42,80,900
2014	320	8,78,000	51,58,900

### 8.13 Automation

IDF introduced branch automation activities in 2007 with the assistance of Grameen Foundation USA to replace manual MIS and FIS by computerized methods. As at 2014, all the branches are enjoying automation facilities. Southtech Limited is assisting us as implementation partner of this program.

It has established a separate IT Department as IS Department for the smooth implementation of the program. IS Department also provides support to solve all kind of hardware and software related problems at all levels.

As of December 2014, IDF completed automation in 75 branches. Accounting is done from data collection from computer after closing the day in the computer at automated Branches.

At present IDF has a work station based automation system.

### 8.14 Mobile Banking

In order to speed up the work of the organization and extend more support to the borrowers IDF has introduced mobile banking program at the end of 2013. Initially IDF has signed an agreement to start mobile banking with the partner banks of Sure Cash. Currently, the partner banks are First Security Islamic Bank, NCC bank and Bangladesh Commerce Bank. According to the agreement, IDF can operate mobile banking at its all branches through Sure Cash mobile banking. A mobile banking account holder can deposit and withdraw her money through his mobile phone. Loan disbursement, instalment collection, fund remittance etc. can be done through this account as well.

The progress of mobile banking as at December, 2013 are as follows:

- i) Branch Manager, Field organizer and IT workers of 22 branches were given practical training on mobile banking.
- ii) 40 centre chief of Bandarban area were given training on mobile banking
- iii) 10,000 account has been opened.

### **8.15 On line attendance**

IDF has introduced on line attendance system in the office for its staff member through touch machine of BD fine software. This is a unique software/system to verify staff attendance in the office using internet facilities anywhere from the world.

### **8.16 Disaster Management**

IDF identified risks for both natural and man-made disasters in its working area and developed a disaster management plan. IDF has arrangements for shelters within its working area in case of floods, tornadoes, cyclones, fires, earthquake and other natural disasters. Members get grant and loan when disaster occurred. A new loan can also be provided for the required rehabilitation. Conceptually IDF does not believe in relief but it does not ignore a rescue and safety operation.

IDF trains staff and family members of its clients on disaster management. These trained people are fielded for search and rescue in case of any disaster. IDF provides transport, food and honorarium to the members of such volunteers. The spirit of such work is humanitarian and voluntary in character.

### **8.17 Environment**

The southern part of this country is covered with deep forests. Chittagong and the Chittagong Hill Tracts (CHT) are popular for hills and forests. There are lots of reserve forests in these areas but they are not well protected. There is practically no sign of creating new forests, although the government is continuously taking initiatives to improve the situation.

From the very beginning IDF introduced Forestation and Agriculture Extension Program with a view to creating new plantations in Chittagong Hill Tracts and Chittagong which contribute to a balance environment. In 1997, with technical assistance from Helen Keller International (HKI), IDF introduced a Home Gardening & Nursery Projects, which helped

to create awareness about environmental protection among the dwellers of Bandarban, Rangamati and Khagrachari Hill Districts.

IDF established two central nurseries in Bandarban district for demonstration and making saplings available to the common people. IDF provided technical and credit support to the members for establishing village nurseries and home gardens. This created a great response; more and more household garden holders can buy saplings of fruits and wood trees at a cheaper rate.

In collaboration with Chittagong South Forest Department, 175 beneficiaries were provided training on social forestation and 55,000 various saplings were distributed among them for plantation on 175 hectares of garden. IDF itself also produced about 100,000 saplings through 1 Central Nursery and 1 Office Nurseries, and sold as well as distributed them under social forestation program.

### **8.18 Gender Promotion**

IDF has been working on gender issues since its inception. IDF organizes poor women and provides training and necessary inputs for both economic and social empowerment as indicated below:

1. Women's access to economic resources;
2. Promotion of men and women's joint participation in decision-making at all levels;
3. Improvement of women's access to education and health care;
4. Promotion of social rights of women;
5. Eliminating discrimination against women.

With respect to above, IDF has great success in creating leadership and women's access to economic resources. IDF organized a number of workshops on Reproductive health in Bandarban and Rangamati Hill Districts to create awareness on common diseases, reproductive and child health. The Medical Officer and Health Workers visit villages on regular basis and provide health care facilities. IDF also gives priority to women during its recruitment in order to balance the gender.

### **8.19 Medicated Mosquito Net**

In 2010, IDF introduced Medicated Mosquito Net Program to reduce malaria, dengue and other mosquito and vector transmitted diseases in the country. In order to achieve this objective IDF supplies medicated bed-net branded as Perma Net produced by Vestergaard Frandsen of Switzerland.

Vestergaard Frandsen is specialized in complex emergency response and disease control products. IDF supplies this mosquito nets through its own branches and also the general outlets. As IDF has 75 branches in different areas in Bangladesh, it is quite easy to aware the mass people about the product and its effectiveness. IDF participated in trade fairs in Dhaka and some divisional and district headquarters.



## **Perma Net:**

Perma Net insecticidal net (LN) is recommended by WHO for the prevention and control of mosquito transmitted diseases.

- Perma Net is being used in more than 140 countries.
- It has a long-lasting Killing effect on malaria mosquitoes, as well as other disease-transmitting susceptible.
- Does not allow mosquitoes to penetrate the net due to the optimum mesh size.
- Available in various colours, shapes and sizes to accommodate local preferences.
- Safe to use for all, including pregnant women and young children.
- Odour-free.

## **Direction to use:**

- Before first use, perma Net should be kept open for 24 hours.
- Perma Net should be hung low enough to touch the ground or tucked under the mattress for maximum protection.
- Perma Net should be washed gently with common soap and tube-well or tap water. River or Pond water is not recommended to wash Perma Net.
- After washing, the net should be hung in the shade to dry. The net should not be exposed to direct sunlight

IDF concluded this project in 2013.

## **8.20 ZeroFly Livestock Net**

In order to improve the condition of livestock health IDF has been distributing a vector preventing medicated and long-lasting Net. The brand name of the net is ZeroFly livestock Net which is produced by Vestergaard Frandsen of Switzerland.

ZeroFly livestock Net controls all major livestock flies, mosquitoes, and midges. A fence made of ZeroFly Net around a farm or cowshed prevents all vectors and flies to enter into the farm. When the vectors land on the fence, 10-20 second exposure to the treated surface is sufficient to kill most of them. The fence is approved by FAO for agricultural use and WHO for use in public health. It is considered safe for human, livestock and environment.

## **Benefits of using ZeroFly Net**

1. ZeroFly Net keeps livestock feed fresh for a longer time by preventing flies.
2. ZeroFly Net prevents flies to reach the cows and increase the quality of milk.
3. When there is no fly in the cowshed, the cows remain calm and take food peacefully which increase the quality of milk.
4. ZeroFly Net prevents flies from spreading diseases and thus reduces the cost of treatment.

5. It improves health and sanitation condition of the firm and its surroundings.
6. It keeps the farmer's house and neighbors free from unexpected flies.

IDF distributes ZeroFly net to Dairy and livestock Firms in Bangladesh through its branches and general outlets.

### 8.21 Enrich Project:

In order to provide an special attention for socio economic development of the vullnerable people of Wabga union, Rangamati district, IDF has started this project in June 2012 with the financial assistance of PKSf. The targets of the project are as follows:

- a) To ensure that all the family members of all house holds of the union enjoy health facilities.
- b) All the children of the union enjoy children right
- c) Extention of agriculture facilities
- d) To ensure sanitary/pit latrin are at all houses
- e) To ensure deep tiubwell facilities for pure drinking water.
- f) Organize various skill development training programs for unemployed youths.
- g) Infrastructure development of the union
- h) Creation of self employment and increse income of the families and
- i) Credit facilities for all the poorest ofthe poon
- j) Tree plaantation projects etc.

The noticiable achievements of the projects are as follows:

Sl no.	Description	Number	Comments
01	Establishment of afternoon session school	25	Running
02	Student	500	Regular
03	Estabilishment of Deep Tuebwel	04	Good condition
04	Sanitary latrin distribution	30	Running
05	Sanitary slab distribution	1535	Running
06	Bridge/culvert	20	Good condition
07	Seed distribution	2000 families	Running
08	Disbursement of small loan	TK.. 20 million	Running
09	Loan outstanding	6 mmillion	
10	Saving mobilization	Tk. 3.1 million	Running

As at 31st December 2014, one prject cordinator along with five nurses, one health worker, 20 female school teacher and some othe sstaff members were recrited. The all are

working well. IDF under take various developments projects every year and implements accordingly.

## **8.22 Food Security Project:**

IDF undertook this program at Laxmichari Upazila , Khagrachari , in the Chittagong Hill Tracts (CHT) to address some critical issues of sustainable agriculture practices, animal husbandry, nutrition, markets and accessing services with the assistance of HKI(Helen Keller International). The project also addresses capacity building of extreme-poor and more equitable participation in household and community decision. The project is called M2 W2 (Making Markets Work for Women).

The main goal of the project is to reduce extreme poverty and hunger in the Dighinala and Panchari upazila of Khagrachari District. The M2W2 scale up project aims to increase the income-generating capacities and opportunities of women from 2,500 (Dighinala & Panchari) extreme-poor households in order to sustainably lift them out of extreme poverty.

Mainly the project works on the following three components

1. Sustainable agriculture practice
2. Animal Husbandry
3. The Direct Nutrition Intervention.

Under the first component various supports are provided to the small farmers, such as distribution of vegetable seeds, scientific method of cultivation training, logistic support (spade, water cane, hand hoe and machete etc).

In the 2<sup>nd</sup> component, poultry shed, feed, pot (feeding and drinking), livestock and poultry etc are provided to the farmers.

Through the 3<sup>rd</sup> one, the project addresses, a high level of nutrition sensitivity in all agriculture training and community mobilization approaches among the people.

M2W2 would have plan to implement a direct nutritional intervention in line with Shiree's national strategy. The intervention will target pregnant and breastfeeding mothers, young children (especially those under age two) and adolescents girls. 40 CPKs (Community Pusti Kormy) are working to achieve the goal of this component.

As at December, 2013 the project achieved as follows:

Si no	Component	Products	Original Quantity	Panchari Upazila	Dighinala Upazila	Time period	Remarks
1	Sustainable Agriculture Practice	Vegetable Seeds	16,922 Kg	8,461 kg	8,461 kg	Oct to Nov, 2013	Winter (10 items seed) Completed
		Vegetable Seed	3234 kg	1617 kg	1617 kg	Feb to December 2013	Summer (12 items of seed) Completed
		Ginger	22264 kg	11132	11132	Feb to Dec.2013	Completed
		Turmeric	8230	4115	4115	Do	Completed
		Taro	13545 kg	6772.5	6772.5	Do	Completed
		1 set (spade, water cane, hand hoe and machete)	2500 set	1250 set	1250 set	Do	Completed
2	Animal Husbandry	Poultry (shed, feed, pot, poultry)	2500	1250	1250	Oct. to Dec, 2013	Each package 2500 Taka
		Pig	2500	111	84	July, 2013	On going
		Goat	2500	9	48	Mar 2013 till date	Ongoing

## 9. MANPOWER

The total manpower of IDF in various programs and projects as of December 2014 is 1,254. The total manpower is shown by programs/projects and sex in table 19 below.

**Table 19: Distribution of Staff by program and sex in 2014**

Name of Program		No. of Staff		
		Male	Female	Total
1	Micro Finance	470	57	527
2	Renewable Energy	553	03	556
3	Health, Sanitation and water	11	03	14
4	Child Labor & Non Formal Education	01	13	14
5	Agriculture, Livestock and Fisheries	11	02	13
6	Food Security Project (DFID/HKI)	06	42	48
7	Enrich Programme	06	63	69
8	Improve Cook Sove (ICS)	14	-	14
<b>Total</b>		<b>1072</b>	<b>183</b>	<b>1255</b>

**Table 19.1: Manpower of Micro Finance Program by position and sex**

Sl. No.	Designation	Male	Female	Total
1	Executive Director	1	-	1
2	Coordinator/Deputy Coordinator	06	-	06
3	Senior Assistant Coordinator	02	-	02
4	Assistant Coordinator	01	01	02
5	Program Manager	04	-	04
5	Consultant	07	-	07
6	Senior Program Organizer	16	03	19
7	Program Organizer	56	05	61
8	Deputy Program Organizer	12	0	12
9	Assistant Program Organizer	34	8	42
10	Senior Field Organizer	91	26	117
11	Field Organizer	177	11	188
12	Assistant Field Organizer	0	0	0
13	Trainee Program Organizer	09	0	09
14	Trainee Field Organizer	44	2	46
15	Receptionist	0	1	01
16	Messenger	03	0	03
17	Security Guard	03	0	03
18	Driver	04	0	04
<b>Total</b>		<b>470</b>	<b>57</b>	<b>527</b>

**Table 19.2: Manpower of Solar Home System by position and sex**

Sl. No.	Designation	No. of Staff		
		Male	Female	Total
1	Director	0	1	1
2	Coordinator	1	0	1
3	Assistant General Manager	1	0	1
4	Senior Manager	05	-	5
5	Manager	4	-	4
6	Assistant Manager/ Sub-assistant Engineer	113	02	115

7	Senior Technician	300	0	300
8	Technician	121	0	121
9	Driver	6	0	6
10	Peon	2	0	02
<b>Sub Total</b>		<b>553</b>	<b>03</b>	<b>556</b>

**Table 19.3: Manpower of Health, Sanitation and Water program by Position and sex**

Sl. No.	Designation	No. of Staff		
		Male	Female	Total
1	Health Coordinator	1	0	1
2	Advisor	1	0	1
3	Medical Officer	1	1	2
4	Program Officer	0	1	1
5	Paramedics	06	0	6
6	Computer Operator	1	0	1
7	Service Staff	1	1	2
<b>Total</b>		<b>11</b>	<b>3</b>	<b>14</b>

**Table 19.4: Manpower of Child Labor & Non Formal Education by position and sex**

Sl. No.	Designation	No. of Staff		
		Male	Female	Total
1	Project Coordinator	1	0	1
2	Program Officer	0	1	1
3	Teacher	0	12	12
<b>Sub Total</b>		<b>1</b>	<b>13</b>	<b>14</b>

**Table 19.5: Manpower of Agriculture, Livestock and Fisheries by Position and sex**

Sl. No.	Designation	No. of Staff		
		Male	Female	Total
1	Senior Program Organizer(Agri)	01	-	01
2	Senior Program Organizer(Livestok)	01	-	01
3	Senior Program Organizer(Fisharis)	-	01	01
4	Assistant Agriculturist	02	-	02
5	Agriculture worker	06	-	06
6	Farm Manager	01	-	01
7	Worker	-	01	01
<b>Sub Total</b>		<b>11</b>	<b>02</b>	<b>13</b>

**Table 19.6: Manpower of Food Security Project (DFID/HKI) by position and sex**

Sl. No.	Designation of Staff	No. of Staff		
		Male	Female	Total
1	Coordinator	1	-	1
2	Project Officer	1	-	1
3	Accountant	1	-	1
4	Nutrition Officer	1	2	3
5	Uapazila team leader	2	-	2

6	Field Officer	-	40	40
<b>Sub Total</b>		<b>06</b>	<b>42</b>	<b>48</b>

**Table 19.7: Manpower of Enrich Project (PKSF) by position and sex**

Sl. No.	Designation	No. of Staff		
		Male	Female	Total
1	Coordinator	01	-	01
2	Agriculture Officer	01	-	01
3	Health Assistant	02	-	02
4	Health Worker	-	14	14
5	Social Development Worker	-	01	01
6	Teacher	02	47	49
7	Computer Data Entry Operator	-	01	01
<b>Sub Total</b>		<b>06</b>	<b>63</b>	<b>69</b>

**Table 19.8: Improve Cook Sove (ICS) by position and sex**

Sl. No.	Designation	No. of Staff		
		Male	Female	Total
1	Assistant General Manager	01	-	01
2	Assistant Manager	02	-	02
3	Cluster Incharge/Supervisor	02	-	02
4	ICS Worker	09	-	09
<b>Sub Total</b>		<b>14</b>	<b>-</b>	<b>14</b>

## **10.0 HUMAN RESOURCES DEVELOPMENT**

IDF has human resources policy for the development of both its staff and beneficiaries. The staffs are provided intensive training immediately after recruitment while the group members are required to undergo intensive training before getting recognition as group member.

### **10.1 Recruitment**

IDF recruits professional and other staff on competitive basis through advertisements in the daily news paper. IDF recruited the following staff for different programs/projects in 2014.

**Micro finance**

i)	Program Manager	-	01
ii)	Senior Program Organizer	-	03
iii)	Program Organizer (PO)	-	21
iv)	Assistant Program Organizer (APO)	-	01
v)	Field Organizer-Credit	-	59
vi)	Field Organizer- IS	-	18

**Renewable Energy**

i)	Assistant Manager 02	-	27
ii)	Solar Technician	-	51
iii)	Senior Solar Technician	-	106

**Agriculture and Livestock**

i)	Senior Program Organizer (Livestock)--	01
ii)	Senior Program Organizer (Agri)	- 01

**10.2.1 Pre and In-service Training**

Pre and in-service training are organized for IDF staff members. The nature of training provided during 2013 is described below.

*i) Pre-service Training*

After recruitment, the Field Organizers (FOs) and Program Organizers (POs) are required to undergo intensive training on group and office management and disciplines, credit rules and conditions, accounting, reporting and monitoring system for six months. The trainees complete their training in 3 phases. They are required to sit for a test after the completion of each assignment. The trainees are terminated if they cannot pass the tests in two consecutive chances. 59 Field Organizer and 21 Program Organizer were recruited and provided pre-service training in 2014.

*ii) In-service Training*

In-service training is organized both for Field Organizers and Program Organizers. The purpose of in-service training is to develop the capability of staff members so that they can implement the project activities efficiently. In-service training deals mainly with day-to-day issues, problems, account keeping, monitoring & reporting, loan supervision and other issues requested by the participants. In-service training courses were organized for 21 POs and 59 FOs in 2014.



## 10.2.2 Outside Training in 2014

IDF staff members received training on various aspects in 2014. Table below shows the details of outside training received by the IDF staff members and Beneficiaries.

**Table 20: Outside Training**

Sl. No.	Name of Training	Designation						Total
		ACO	SPO	PO	APO	SFO	FO	
1	Foreign training/exposure							
2	Advance Microfinance and Institutional Management.	1	2	1				4
3	Financial Product Design and Product Diversification.		3	2				5
4	Monitoring & Evaluation		3	3				6
5	Strategic Planning for NGO And MFI	2	3					5
6	Trining of Trainer (TOT)		2	2				4
7	Client Protection Principles MFIs	1	2	3				6
8	Microenterprise Management & Lending		1	4	1			6
9	Group Dynamics Savings and Microcredit Management					2	10	12
10	Saving and Microfinanc Oparetion & Management			6				6
11	Accounts & Financial Management			8	2	2	3	15
12	Strengthening Microenterprise for MEIs			2				2
13	Micro-Enterprise(ME) small & Medium Enterprise(SME)Operation and Management				1	3	7	11
Total		4	16	31	4	7	20	82

## 11. OTHER EVENT

Generally in IDF the Governing Body Meeting takes place every after 3 months and the Annual General Meeting once a year. In case of any emergency and extra meeting is organized. Mostly the policy making issues are discussed in those meetings. The following meetings were held in 2014.

### 11.1. Annual General Meeting in 2014

Meetings	Date	Venue
20th AGM	27/6/2014	IDF, Head Office

### 11.2 Governing Body Meeting in 2014

Meetings No.	Date	Venue
83 <sup>th</sup> GBM	24/04/2014	IDF Central Coordination Office
84 <sup>th</sup> GBM	27/06/2014	IDF Head Office
85 <sup>th</sup> GBM	17/08/2014	IDF Head Office
86 <sup>th</sup> GBM	27/08/2014	IDF Head Office
87 <sup>th</sup> GBM	20/09/2014	IDF Head Office
88 <sup>th</sup> GBM	18/10//2014	IDF Head Office
89 <sup>th</sup> GBM	20/12/2014	IDF Head Office

### 11.4 Strategic Business plan

5-year Strategic Business Plan for July 2011-June 2016 is prepared in a 3-day workshop organized by IDF on 14-16 May 2011 at Chittagong Office. The selected branch managers, area managers, zonal managers, higher management staff including the executive director of the organization participated in the workshop. A consultant from Asian Microfinance Network worked as facilitator of this workshop. The workshop reviewed the achievements of the last 5-year plan and present strengths and weaknesses of the organization before starting the exercise of new 5-year plan. 5-year plan for microfinance, solar, health; education and agriculture of the organization are prepared in the workshop. The summary of this 5-year plan is presented below.

Major component	Upto June 2011	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Branch	62	71	82	92	102	112	112
Member (by year)	85,000	12,200	14,700	16,200	17,200	17,700	1,63,000
Member (cum)	85,000	97,200	1,11,900	1,28,100	1,45,300	1,63,000	1,63,000
Borrower (cum)	74,731	87,720	1,00,995	1,15,625	1,31,165	1,47,165	1,47,165
Disbursement (m)	6,491.62	1,557.96	1,330.90	2,139.66	2,480.85	2,840.31	17,341.30
Outstanding (m)	615.83	857.10	1,007.2	1,176.90	1,364.50	1,562.20	1,562.20
Net savings	295.09	344.30	428.70	530.00	653.70	794.60	794.60
Repayment rate (%)	99.20	99.30	99.40	99.50	99.60	99.70	99.70
Profit/Loss (m)	163.69	17.36	43.30	55.88	76.17	99.65	456.05

## **12. PLAN AND BUDGET**

Under the framework of five-year plan, IDF prepared annual plan and budget for 2013-14 through a participatory process. Plan and budget for 2013-14 of microfinance is prepared in May-June through a bottom-top process. The plan for membership growth, loan disbursement, loan repayment, savings mobilization was done by the field organizer at branch level. Each field worker submitted his/her annual plan to the branch manager. The branch manager then organized a one-day workshop to discuss and review the individual plans and annual budget of the branch. When the plan and budget for the branch was finalized, the branch manager submitted it to the planning and budget division of IDF.

A workshop was organized at Chittagong Office, where the plan and budget of individual branches, Central Coordination Office and Head Office were presented. The Planning department finalize the budget through detail discussion and review thoroughly in the workshop and submit to Governing Body for review and then to submit to General Body for approval. The summary of annual plan and budget for 2013-14 is attached Annex-3.

IDF has planned to increase members, loan disbursement, outstanding and savings respectively 21,452, Tk.213,73,75,000, Tk.22,07,24,492.00 and Tk.12,37,86,522 in 2013-14. At the end of the year total members, loan disbursement, outstanding and savings are expected to increase to respectively 1,20,685, Tk.1123,55,94,700, Tk.107,71,67,492.00 and Tk.53,26,25,622.

## **13. REVIEW MEETING**

Monthly review meeting and workshops are organized on regular basis for reviewing the progress and problems of various project activities. At branch level, the branch manager conducts the review meeting where the village organisers participate the meeting.

Monthly review meeting of branch managers is held every month at the area level. Review of the previous month's progress, implementation of the plan, problems at branch level and their solutions, quality of work and utilization of loan are discussed elaborately and decisions are also taken accordingly in these meetings.

Monthly review meetings of Area Managers are held at the IDF office in Chittagong. Beside the Area Managers and concerned officials of the programs, Executive Director of IDF participated in these meetings. In the meeting, monthly progress reports, various problems of the programs and their solutions, quality of the groups, centres, branches and loan supervision and audit are discussed and necessary decisions taken. Moreover, other development programs such as Health Services, Education and Awareness, Micro-insurance, Solar Home System, Village Nursery, Agriculture, Forestation, Fisheries and other project activities are also discussed in the meeting.

## **14. AWARD FOR BEST PERFORMANCE**

IDF recognizes good performance of its staff member through providing award at the end of the year. Most of the IDF's fields are located in very remote areas and Hills. It is very

difficult to make close supervision due to poor road conditions. In spite of that IDF staff members are maintaining very good performance by their hard work. At the end of the year, staff members are rewarded for the best performance. The number of awards by categories is presented in the Table 21.

**Table 21: Categories of Awards in 2014**

Category	Number of Award	
	Best	Special
Branch (Credit)	01	11
Manager (Credit)	01	13
Field worker(Credit)	01	12
IT worker	01	01
Field worker(Agriculture)	01	0
Centre school teacher	01	0
Micro enterprise initiator	01	02
Centre Chief	01	11
Health Worker	01	0
Branch (Solar)	01	03
Manager (Solar)	01	05
Field Worker (Solar)	01	04
Supporting staff (Credit)	0	04
Supporting staff (Solar)	0	02
<b>Total</b>	12	68

## 15. AUDIT

### 15.1 Internal Audit

IDF established independent Internal Audit Team in 2000 with a view to maintaining and improving the quality of work of its Microfinance and other programs. The Team is consisted of 7 members headed by a Deputy Coordinator. The Team is responsible directly to the Executive Director for their work.

The team members visit branches, area, central coordination and head offices to examine the books of accounts, various registers, loans and savings, collection sheets, various ledgers and collection sheets with the records and pass books of members. The team also examines the utilisation of loans by the members.

The team corrects the mistakes and errors at branch level if possible. For mistakes and errors, which are not possible to correct at the branch, one-month time is allowed to correct them and report to the Executive Director. For wilful minor mistakes, administrative measures are taken while for misappropriation major action like dismissal from the job is taken.

As of December 2014, all 75 branches, areas and Central Co-ordination Office have been audited by turn. The internal audit was found to be a very fruitful tool for maintaining and improving the quality of work.

## **15.2 External Audit**

Upon discussion in the Annual General Meeting, IDF appointed B. Alam & Co., a Chartered Accountancy Firm to audit the organization for the year 2013-14 as their performance was good in the last two years and report was submitted duly. The Audit Report for 2013-14 is given in annex-4.