



POST SCRIPT: NOTES ON DISCUSSION

1. The Grameen experience after the Floods

Dipal Chandra Barua outlined some of Grameen Bank's experiences with providing credit to enable low-income families to pay for housing improvements which they could otherwise not afford. Details of Grameen Model houses and of the criteria used by Grameen Bank (GB) for determining who would get such loans have been described previously (Barua, 1999). Using a video presentation, Dipal explained how it had been necessary to relax some of the Bank's criteria in the aftermath of the recent devastating 1998 Floods: "The poor were worst affected by the July-August '98 Floods. With a very slim economic base, the poor loanees of GB find it beyond their means to overcome the damages caused to them. A revised GB policy was necessary to provide effective rehabilitation of the GB's shelterless members and enable them to resume income-earning activities. Therefore, the housing loan criteria were relaxed as follows to meet the needs of the disaster situation.

- a. The worst affected member should get preference;
- b. Eligibility for loans was restricted to those affected by the Flood;
- c. Among those affected, the preference was in order of the criteria laid down for housing loans under normal situations;
- d. The maximum loan given was Tk. 12,000 per individual;
- e. The entire loan must be deposited and kept in the loanee's current account immediately on approval of the loan;
- f. The initial withdrawal must be for purchase of 18 pieces of CI sheet as per GB specification;
- g. After that, the loanee may withdraw further money for purchase of other building materials. In any case, Tk. 1,200 is to be kept back for purchase of four concrete pillars.
- h. 5% of the total loan must be deposited with the Group Fund for the purchase of a sanitary slab for the construction of a latrine;
- f. The weekly repayment may not exceed Tk. 20 during the first year. Special approval from the Area Manager is needed if any loanee desires to repay at a higher rate. In subsequent years the repayment rate may be reviewed with the loanee.
- i. Loan repayment will start within five weeks of completion of the construction, and
- j. The loan recipient must have title to the land in his/her own name. The Zonal Manager may relax this requirement.

The selection process was as follows:

1. Branch: The concerned Area Manager consults with the Zonal Manager to decide the branch(es) affected in his area;
2. Centre: The concerned Branch Manager consults with the Area Manager to decide which Centres were affected within the operational area of the Branch;
3. Borrower: Group and Centre members play the most important role of selecting the numbers eligible for housing loans. After receiving the recommendation from the group and Centre, the concerned Bank workers draw up the draft loan proposal after ascertaining the extent of the damage."

Dipal also provided updated figures on Grameen's housing programme. The following table includes the figures given to the 1996 Workshop in parentheses for comparison (45 Taka = \$US1, approx):

Statement of Grameen Housing Finance up to December 1998 (August '96)			
Item	Male beneficiary	Female Beneficiary	Total
Cumulative number of houses built	37,921 (28,472)	453,091 (296,070)	491,092 (324,542)
Amount disbursed (Million Taka)	564.18 (452.03)	6,650.41 (5,015.71)	7,214.59 (5,467.74)
Amount repaid (Million Taka)			3,746.76 (2,236.09)
Average house loan (Taka)			14,694 (16,847)

2. Discussion on other points raised by Contributors

Salek Seraj commented that BUET's survey of damage after the 1998

floods had shown how difficult data collection can be. It is not easy to get agreement from respondents. Their average estimated cost on a kutchha house 18x11x7 ft was 12,200 taka. On that basis the cost of replacing village homes might have been of the order of 2.5bn Taka (\$33.3m).

Commenting on Hodgson & Carter's presentation, Iftekhar Ahmed said that the price of bamboo had risen greatly this year and the trend of building costs exceeding inflation rises was being maintained. He also commented that the comparison of long term roof costs used was simplistic because the assumed cost of CI sheet roofs did not include the necessary additional timbering. Robert

Hodgson accepted this; firstly, many people did not know how a pucca building should be made and secondly, the objective was to get people to think in the longer term rather than to derive precise figures. Iftekhar maintained that in the long term natural materials such as bamboo worked out cheaper than RCC.

Samantha Magne reminded us of Andrew Maskrey's maxim given to the 1996 Workshop: "*Perfect is the enemy of Good*". She said that most people have many demands on their limited resources. Our understanding of the hazards was probably better than our appreciation of the vulnerabilities of the poor. It was vital to become better informed about the economic and social forces operating at family level.

Replying to Amir Khan's question, Jamilur Choudhury reported that first trials of the Permatent (see H&H 96) had shown encouraging recovery rates. In fact, Enfants du Monde had recovered 100% of their deployment 4 months after the 1997 cyclone. If this could be maintained over 15 deployments then the investment would be well worthwhile.