

# NOTAT

Til : NORAD, Dhaka  
Fra : NORAD/NATUR  
Kopi : ALAT  
Deres ref : 93/00745-/mej  
Vår ref : EL  
Dato : 20th December 1993

## **BGD 031 - COMMENTS TO GRAMEEN BANK PHASE III COMPLETION MISSION REPORT**

Reference is made to your memo of 9 Dec 93.

1. We have gone through the Grameen Bank Phase III Project Completion Mission Draft Report, and feel in general that the report gives a good review of the phase III achievements, shortfalls and differences, compared to the projections at the appraisal stage.

2. We agree with the Mission's proposal that the expected small surplus of funds in the SVCF, R&D and M&E categories at end Dec 1993 is reallocated to Institutional Development, and finally unutilised funds at end June 94 to be used for G&C loans.

3. GB has opened up for a growth in lending during 1992 and 1993 which is so high, that most banking experience will dictate to put on the alarm lights, the risk being loosing control.

Between the beginning of 1989 and 30 Sep 1993 loans outstanding increased from Tk. 1,012 (USD 25 m) to Tk. 7,017 (USD 175 m).

By end Sep 1993 GB had disbursed for housing loans Tk. 2,460 (USD 61.5 m) compared to Tk. 338 (USD 8.45 m) at the beginning of Nov 1989. The Bank has no consolidated record of the unrepaid and overdue housing loans. The same is the situation for the newly introduced sesonal loans. HO is unable to monitor the unrepaid loans and overdues.

A growth rate of this size was not planned during Phase

