

Enclosure 3: Conclusions from the joint evaluation carried out by Grameen Bank and Norway in 1998/1999.

Conclusions

Grameen Bank is perhaps the single most successful "development project" in the world. It has pioneered microfinance approaches that are used around the world, in industrial as well as developing countries. In Bangladesh, it has established an organisation that has been able to expand, adapt and improve during its 20 years' history, having today 2.4 million members, most of them women in a rural Muslim setting. Its achievements in both banking and developmental terms are impressive. But Grameen's staffing costs may be weakening both organisational and financial sustainability, and thus pose a threat to the longer-term contributions of this highly impressive organisation.

Research points to sustainable poverty reducing welfare impacts of Grameen Bank, and the increased demand for microcredit by households throughout rural Bangladesh attests to the continued demand for this kind of services. Longer-term structural results of MFI activities may in fact yield greater poverty reducing results over time, and Grameen's pioneering role has once again been critical for the development of a vibrant MFI sector that is having this kind of *societal* impact.