

Microfinance Programme

BRAC's microfinance activities work through a unique 'credit-plus' approach, addressing the special needs of various target populations such as rural women, youth and adolescents, landless poor, marginal farmers, migrant workers, urban poor, and small entrepreneurs. We recognise the heterogeneity among the poor and carefully target and develop customised financial products and services that best meet their varying needs. Our microfinance members have access to and benefit from BRAC's other development interventions.

BRAC's microfinance clients use financial services for a range of reasons, from funding various income-generating activities, to investing in small assets, ensuring stable cash flows for consumption, building up resilience against financial shocks, to simply saving for the future.

Village organisations

Empowering the poor is at the heart of our work. Our village organisations (VOs) consist of around 15 to 40 women from the local community. Not only do they provide an accessible and supportive



A group of women attend a weekly meeting in Ashulia, Bangladesh.

environment through which to manage loans and savings, VOs offer a space for poor women to come together, share information, raise awareness on issues concerning their daily lives, and receive support on health, social and legal issues.

Microloans and small enterprise loans

Our services include collateral-free microloans (dabi) ranging from USD 170-2,600, given exclusively to individual women who are served by the village organisations. We also provide small enterprise loans (progoti) ranging from USD 1,400-13,000 given to entrepreneurs of both genders to support and help expand existing small enterprises, which are too small to qualify for credit from mainstream banks.

Migrant workers

Recognising the high costs associated with finding employment abroad, BRAC offers migration welfare loans that enable workers to access these opportunities, and cover the costs once they start earning. The service includes pre-migration counselling, document verification to avoid fraud and customised loan assistance to cover pre and post-migration costs.

Agriculture

Many microfinance clients are engaged in farming activities. To support agriculture-based activities, BRAC offers financial services to tenant farmers, and land-owning farmers that also include agricultural extension, and access to productive inputs such as livestock, high value crops, and machinery.

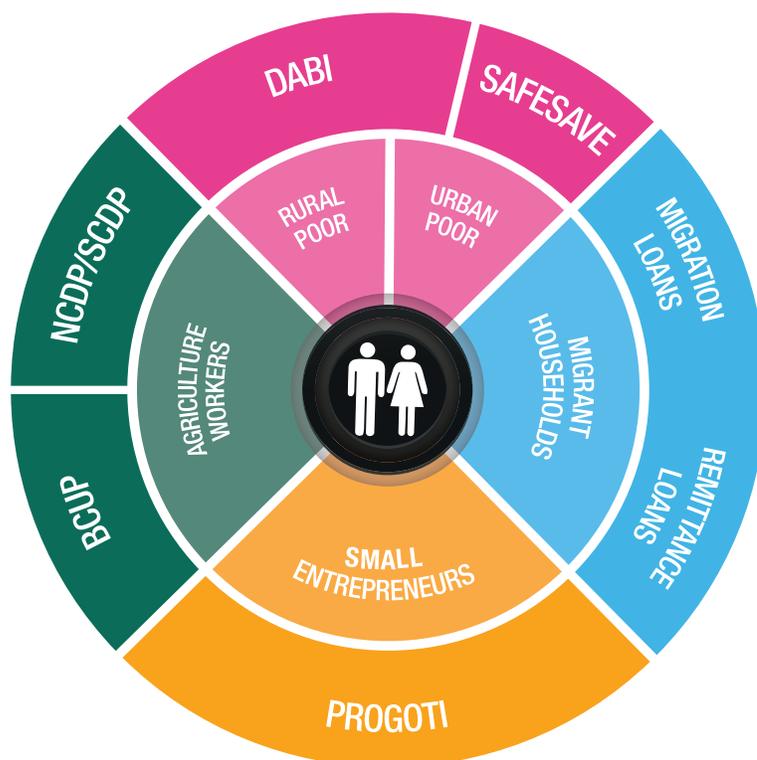
Innovation

The microfinance programme is also piloting a set of projects designed to increase financial inclusion and better meet clients' needs. This includes use of mobile money to enable easier deposit payments; the introduction of health loans and credit shield life insurance to reduce vulnerability of poor households to external shocks; provision of savings services to youth to promote good financial behaviour and awareness from a young age; as well as a drive to ensure persons with disabilities that qualify for microfinance have equal access to financial services.

Client protection

Measures to ensure that clients are protected and understand our products are integrated in the design of all our interventions. Borrowers receive short, financial awareness training before loans are disbursed, and anyone deemed to be at risk of default are offered a comprehensive four-day financial training at no charge. For any queries or concerns our clients have access to customer service assistants at over 1,300 branch locations, as well as a call centre. Clients are also reminded of rights and responsibilities at each VO meeting. Client protection is emphasised heavily in staff trainings and staff codes of conduct.

Available products



At a glance:

BRAC microfinance in Bangladesh

Village organisations (VOs)	283,785
Total members	5,425,900
Total borrowers	4,738,114
Monthly disbursement	USD 215 million
Outstanding loan	USD 1.3 billion
Savings deposits	USD 464 million

BRAC microfinance around the world

Countries	Loans disbursed (USD)	Borrowers
Pakistan	113.7 million	54,439
Liberia	27.4 million	12,074
Sierra Leone	24.5 million	21,315
Tanzania	291.8 million	128,099
Uganda	303.7 million	175,920
Myanmar	1.4 million	7,454

*Figures are from June 2015