

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 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 can benefit from BRAC's other development interventions.



Photo credit: BRAC

A Progoti client at his shop

A group of women attend a weekly meeting in Moista Para village in Ashulia, Bangladesh



Photo credit: Shrehzad Noorani

Borrowers, most of whom are women, utilise their loans in various income-generating activities, creating livelihoods for themselves and their families. We bring our collateral-free credit and savings services to the doorsteps of the landless poor, marginal farmers and small entrepreneurs overlooked by conventional banks. Through our 'credit-plus' approach, we work to strengthen the enterprises that our borrowers invest in through an integrated set of services, provided by our social enterprises. This approach strengthens supply chains of the enterprises and gives clients access to quality supplies, proper training and support in marketing their products, while reducing their risk of market failures in the process.

Village Organisations

Organising the poor is at the heart of our work. Our village organisations (VOs) consist of around 15 to 40 women from the local community. VOs offer a space for poor women to come together, share information, raise awareness on issues concerning their daily lives, while receiving support on health, social and legal issues.

Microloans and Microenterprise Loans

Our services include microloans (Dabi) ranging from USD 100-1,000, given exclusively to individual women who are served by the village organisations. We also provide microenterprise loans (Progoti) ranging from USD 1,000-10,000 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.

The programme has, in recent years, seen an increase in its efforts to strengthen and improve our relationship with clients and enhance their trust in us. We have successfully transitioned from a weekly to monthly loan repayment system for our Dabi clients in areas with better socioeconomic conditions. We have also scaled up our 'top-up' loan facility for both the Dabi and Progoti borrowers. In addition, we introduced a migration loan scheme in 2011 to facilitate overseas migration of Bangladeshi workers.

Programme support units

Staff development unit; branch review unit; loan review unit; capacity development unit; communication and knowledge management unit; monitoring unit (Dabi); monitoring unit (Progoti); refinance and reschedule unit; management audit; guarantee bond and Ombudsperson liaison unit; call centre; financial education and client protection unit; administrative unit; research and development unit; branch automation; and legal and compliance unit.



At a glance

Operating in:

Bangladesh
Sri Lanka
Pakistan
Tanzania
Uganda
Sierra Leone
Liberia
Myanmar

BRAC microfinance in Bangladesh

Village Organisations (VOs)	281,336
VO members	5.72 million
Total Borrowers	4.10 million
Disbursement	10.6 billion BDT
Outstanding Loan	68.8 billion BDT
Savings Deposits	26.9 billion BDT

BRAC microfinance around the world

Countries	Loan disbursed (in USD)	Borrowers
Pakistan	76.35 million	57,694
Sri Lanka	106.77 million	68,693
Liberia	21.16 million	13,177
Sierra Leone	17.42 million	19,272
Uganda	177.95 million	124,731
Tanzania	196.39 million	101,189