

NGO ACTIVITIES IN SOCIO-ECONOMIC DEVELOPMENT OF BANGLADESH: A STUDY ON BRAC

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Preclude:

Through its years of struggle against chronic deprivation, hunger and injustice, Bangladesh has been home to many innovations in tackling poverty. BRAC, a development organisation founded by Fazle Hasan Abed in February 1972, soon after the liberation of Bangladesh, has acted as both the initiator and catalyst for many such innovations and change. Our initial focus was on assisting the refugees returning from India to their newly independent country. In 1973, we broadened our focus to long-term sustainable poverty reduction. Over the course of our evolution, BRAC has established itself as a pioneer in recognising and tackling the different dimensions of poverty. Our unique, holistic approach to poverty alleviation and empowerment of the poor encompasses a range of core programmes in economic and social development, health, education, and human rights and legal services.

BRAC'S Vision & Mission

Our vision is of just, enlightened, healthy and democratic societies free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex, religion and ethnicity.

BRAC works with people whose lives are dominated by extreme poverty, illiteracy, disease and other handicaps. With multifaceted development interventions, BRAC strives to bring about positive changes in the quality of life of the poor people of Bangladesh.

BRAC firmly believes and is actively involved in promoting human rights, dignity and gender equity through poor people's social, economic, political and human capacity building. Although the emphasis of BRAC's work is at the individual level, sustaining the work of the organisation depends on an environment that permits the poor to break out of the cycle of poverty and hopelessness. To this end,

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BRAC endeavours to bring about change at the level of national and global policy on poverty reduction and social progress. BRAC is committed to making its programmes socially, financially and environmentally sustainable, using new methods and improved technologies. As a part of its support to the programme participants and its financial sustainability, BRAC is also involved in various income generating enterprises.

Poverty reduction programmes undertaken so far have bypassed many of the poorest. In this context one of BRAC's main focuses is the ultra poor. Given that development is a complex process requiring a strong dedication to learning, sharing of knowledge and being responsive to the needs of the poor, BRAC places a strong emphasis on their organisational development, simultaneously engaging itself in the process of capacity building on a national scale to accelerate societal emancipation.

The fulfilment of BRAC's mission requires the contribution of competent professionals committed to the goals and values of BRAC. BRAC, therefore, fosters the development of the human potential of the members of the organisation and those they serve.

In order to achieve its goal, wherever necessary, BRAC welcomes partnerships with the community, like-minded organisations, governmental institutions, the private sector and development partners both at home and abroad.¹

Brac's Values

Concern for people, especially the poor; Human dignity; Belief in human capacity; Gender equity; Fairness; Honesty and integrity; Discipline; Creativity and innovation; Participation; Accountability; Cost consciousness; Teamwork; Openness; Sharing information; Transparency; Professionalism; Quality products and services; Respect for the environment.

From the time of its modest inception in 1972, BRAC recognised women as the primary caregivers who would ensure the education of their children and the subsequent inter-generational sustainability of their families and households and has thereby been committed to the empowerment of women and education and health of children. Its comprehensive approach combines Microfinance under BRAC's

¹ AMR Chowdhury, M Mahmud and F. H. Abed, "Credit for the Rural Poor in Bangladesh: The Case of BRAC in Bangladesh" *Small Enterprise Development*, vol.2, No.3 London, 1991.

Economic Development programme with Health, Education and other Social Development programmes, linking all the programmes strategically to counter poverty through livelihood generation and protection. While BRAC believes that micro credit is an important tool in breaking the cycle of poverty, it also places equal emphasis on training its members in income generating activities and facilitating their linkage with consumer markets. Instituting linkages between producers and consumers, BRAC has assisted in the entire process of income generation, juxtaposing itself so as to counter market failures and make it possible for the poor rural producers to be linked to the market for sustainable livelihood. BRAC has held to the belief that community partnerships and institution building go a long way in sustainable development and the spreading and transferring of knowledge to future generations. BRAC's Economic Development Programme has so far organised 8.45 million poor and landless people, mostly women into 284,825 Village Organisations (VOs). These Village Organisations serve as forums where the poor can collectively address the principal structural impediments to their development, receive credit, and open savings accounts and build on their social capital. BRAC's microfinance programme by offering credit to the poor and assisting and encouraging them to save, strives to ensure economic and social sustainability of the poor. In a country which ranks as one of the poorest and most densely populated in the world, with a per capita income of about US\$444 and 49.8% living below the "upper poverty line," BRAC's credit programme has so far disbursed Taka 313,428.58 million (US\$ 5,265.50) with a 99.31% recovery rate where no collateral is required. Members have saved up to Taka 14,850 million (US\$ 218.38) with BRAC. Its comprehensive approach combines Microfinance with Health, Education and other Social Development Programmes because BRAC recognises that its microfinance clients must be informed and aware enough to put their loans to the best use, must be cognizant of their rights, maintain good health and hygiene and have the confidence to establish a means of income generation. Thus BRAC's strategy also includes human rights and legal education courses, provision of legal aid clinics, use of popular theatre to raise awareness and offer solutions to social problems, and household visits by volunteer health workers. Training is provided for ender equity, conscientisation, and awareness building that helps create an enabling environment in which the poor can participate in their own development.²

² Iftekahar Chandhury, AMR Chodhury and AMR Hussain, "Economic and

Over the years BRAC realised that microfinance though a successful, thriving programme, was failing to reach the bottom 25% of the absolute poorest, composed of mostly women-headed families falling on the bottom rung of the poverty ladder. So in January 2002, BRAC introduced its Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor (CFPR-TUP) programme. Using a specific set of criteria to identify these families in the margins of society who are too poor to take advantage of standard micro finance options, BRAC designed a smart subsidisation scheme that included income generating assets, training and health care services, tailor made to create opportunity ladders for the ultra poor to help them transition onto the mainstream micro finance programmes. The programme has already received widespread national and international attention and is setting the standard for other development organisations to emulate. Yet another one of BRAC's innovations that has been replicated in about a dozen countries is the Non Formal Primary Education programme set up in 1985. The programme started with 22 one-room schools and has grown to about 49,000 schools in 2004, accounting for about 11% of the primary school children in Bangladesh. It fulfills BRAC's goal of poverty reduction through access to education for those traditionally outside formal schooling. The BRAC schools teach the same competencies as the government schools. However, they enroll and retain a higher proportion of hard-to-reach children, such as girls who make up 65% of the student body. The importance of maintaining literacy outside the school setting has been addressed with BRAC's 1,830 rural community based libraries (Gonokendras) and 8,660 Kishori Kendras that give members access to a variety of reading materials. The Adolescent Development Programme (ADP) trains adolescent BRAC school graduates, both girls and boys, in vocational skills, health awareness including reproductive health, and leadership. In Bangladesh, where only 36% of the population have access to primary health care services beyond childhood immunisation and family planning, BRAC's Health, Nutrition and Population Programme takes a broad approach to the health needs of the poor by providing basic curative and preventive services to more than 110 million people. Trained health workers and volunteers work to raise awareness among the rural poor of health issues that directly impact their lives and families. It seeks to reduce maternal and child mortality and reduce

Social Impact of BRAC Development Programme at Village Level." Dhaka: RED, BRAC, 2001.

vulnerability to common diseases. Services are offered to control infectious diseases like tuberculosis, acute respiratory infections, diarrhea etc. BRAC has collaborated with the government to immunise children and pregnant women. Under the Essential Health Care programme, with the help of Shastho Shebikas (Health Volunteers) and Shastho Kormis (Health Workers) immunisation coverage of the population today is 80%. The programme also provides services to pregnant women for improving their health and nutrition status. The reproductive health needs of the community in general, with particular focus on BRAC members, are addressed through education on family life, contraception, STD/RTI control, and awareness of HIV/AIDS. Various Support Programmes some of which include the Training Division, Research & Evaluation Division, Advocacy & Human Rights Unit, Public Affairs & Communications, Administration & Special Projects, Internal Audit & Monitoring, Finance & Accounting, Publications and Human Resources provide continuous support that is essential to the success and smooth functioning of BRAC's core programmes. The Training Division is engaged in all aspects of staff and VO member training, be it poultry rearing or development management. Seventeen residential Training and Resource Centres (TARC) and two BRAC Centres for Development Management (BCDM) have been established by the Training Division. Through its Global Partnership (GP) programme, BRAC offers post-graduate diploma in NGO Leadership and Management leading to a Masters degree. Fostering its development principles into its own policies, BRAC's Human Rights and Advocacy Unit has undertaken a number of initiatives to promote and protect human rights, particularly that of women.

BRAC operates on the ethical principles and practice and has maintained high levels of transparency in all its operations since it was established. BRAC has been able to maintain an unblemished reputation over the past three decades. The same principles of ethics and integrity that form the supporting pillars of all its activities whether of large scale or small, are also enforced in the organisation's policies and practices. BRAC was the first NGO to establish an office of the Ombudsperson in 2004 and also received an Honorary Mention from the Consultative Group to Assist the Poor (CGAP) which recognised BRAC for consistently maintaining high levels of transparency in its annual financial reporting. BRAC has formed important links with the government over the years, facilitating the emergence of other NGOs in Bangladesh and has expanded into an organisation operating on a national scale, side by side and in partnership with the government,

other NGOs and organisations and contributing to 1.8% of the country's GDP. With an annual budget of US\$485 million, around 80% of which is self financed, BRAC has established itself nationally and internationally as a symbol of innovation and dynamism, always ready to experiment with innovative ideas. As recognition of BRAC's dedicated work for the poor, BRAC received the Gates Award for Global Health and prestigious Conrad Hilton Foundation Humanitarian award. BRAC Founder and Chairperson was honoured by the UNDP Mahbubul Huq Award for Outstanding Contribution in Human Development and the David Rockefeller Bridging Leadership Award recently.

Its programmes have been replicated in about a dozen countries including Africa and the Middle East. In 2002, BRAC was registered in Afghanistan to rebuild the ancient country that had sustained decades of conflict and war. Since then BRAC has expanded to 23 out of 34 provinces, providing services in micro finance, health, education, income generation, and small enterprise development. The programme takes the best practices of BRAC in Bangladesh and tailors its initiatives according to the needs of the Afghan people. At the end of 2007, BRAC Afghanistan had 3,643 staff, of which 3,462 were Afghans.

In 2005 BRAC was registered in Sri Lanka to help the country back on its feet after it was hit by the recent, devastating Tsunami. With our entry into Pakistan in late 2006, BRAC is now working in four Asian countries.

In Africa, BRAC has been able to scale up in Tanzania and Uganda after only eighteen months of operating in the region and is already helping 117,000 households in those two countries- with further plans to help the citizens of Sierra Leone and Liberia rebuild their lives after decades of disastrous civil wars. BRAC is now working in Southern Sudan in addition to Tanzania and Uganda.

Brac's Coverage

Districts	64
Upazilas	509
Villages	69,421
Population Covered	110 million

HRD

Full Time Staff	51,914
Aarong+AAF+APC	1,221
BEP Teachers	63,932
Total	117,067

Development Programmes

Economic Development Programme
Health Programme
Education Programme
Social Development Programme
Human Rights & Legal Services

Support Programmes

Training Division
Advocacy
Research & Evaluation Division
Human Resources Division
Public Affairs & Communications
Administration & Risk Management
Finance & Accounts
Procurement, Estates & Mgt Services
Publications

BRAC Enterprises

Aarong
BRAC Dairy & Food Project
BRAC Agri Business
BRAC Printers
BRAC Print Pack
BRAC Tea Estates

Related Institutions

BRAC University
BRAC Bank Ltd
bracNet
Documenta Ltd
Delta BRAC Housing Finance Corp Ltd

Job Creation

Industry	Job Created
Poultry	1,925,262
Livestock	615,740
Agriculture	1,080,350
Social Forestry	96,049
Fisheries	287,758
Horticulture	212,500
Sericulture	28,693
Handicraft Products	65,000
Small Enterprises	532,488
Small Traders	3,680,042
Total	8,523,882

Annual Expenditure

Year	Amount (in mil)	Donor Contribution
1980	USD 0.78	100%
1985	USD 2.3	97%
1990	USD 21.25	68.2%
1995	USD 63.73	54%
2000	USD 152	21%
2005	USD 259	24%
2007	USD 485	20%

Economic Development Programme

Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor

Coverage	38 Districts
Women Trained	285,241
Total asset transfer(in mil)	969 Tk.
Beneficiaries received asset	100,000 Tk.
Total Subsistence Allowance	441,840,332 Tk.
Beneficiaries received allowance	112,356
Borrowers	174,091
Loan Disbursed	1,064,708,000 Tk.

Microfinance Programme

Village Organisations (VO)	293,016
VO members (in mil)	8.09
Total Borrowers (in mil)	6.37
Cumulative (in mil)	TK 355,026.88 (USD 5,877.24)
December 2008 (in mil)	TK 84,289 (USD 1,239.54)
Outstanding Loan (in mil)	TK 44,903 (USD 660.34)
Portfolio at Risk (>30 days)	7.68%
Repayment Rate	99.29%
Average Loan Size	TK 16,669 (USD 245.13)
Savings Deposits (in mil)	TK 15,765 (USD 231.84)
Cost per loan	TK 907.38 (USD 13.34)

Offices

Regional Offices	28
Area Offices	309
Branch Offices	2,708

Finance

BRAC has two donors' consortia, one each for the BRAC Education Programme and the Ultra Poor Programme. The consortia conducted their own audits and external reviews and met twice in 2007 to discuss findings. The consortia donors are the European Commission, Department for International Development (UK), Embassy of the Kingdom of the Netherlands (EKN), CIDA (Canada), NOVIB (the Netherlands), AusAID (Australia), NORAD (Norway) and the World Food Programme (WFP).

BRAC's Finance and Accounts Division performs a vital role within the organisation in improving programme efficiency, enhancing management decision-making capabilities, and promoting transparency and accountability. Under this division, financial data from all transactions carried out at different cost centres in the organisation are collected and stored, data useful for decision-making is processed into information and adequate controls to safeguard organisational assets are provided.

The Finance and Accounts Division prepares BRAC's financial statements in accordance with international reporting standards to ensure transparency. Its efforts have been recognised with numerous national and international awards including the National Award for Best Presented Published Accounts and Reports 2004, 2005 and 2006 from the Institute of Chartered Accountants of Bangladesh (ICAB); the Best Presented Accounts Award 2005 and 2006 from the South Asian Federation of Accountants (SAFA); and the Financial Transparency Award for 2004, 2005 and 2006 from the Consultative Group to Assist the Poor (CGAP).³

Monitoring

Monitoring is part of our internal control mechanism for programmes. This unit conducts periodic analysis using selected indicators to enable managers to determine whether key activities are being carried out as planned and are having the expected impact on the target population.

Monitoring activities are designed as a continuous process of data collection, analysis and judgment in order to produce relevant, timely and accurate information. Monitoring findings are disseminated to the relevant field level managers during data collection by the monitors, on a bi-monthly basis, through presentations and discussions, and the publication of summary and narrative reports. Emphasis is laid on assessing the effectiveness of the project components with an indication of the corrective measures required. This information is especially designed for senior BRAC management, programme managers, stakeholders and programme sponsors. The monitoring Department has gradually broadened its area of activities to include all core and support programmes of BRAC.

Human Resource Division

BRAC's Human Resource Division works to enforce procedural justice, intensify transparency and equity, and promote

³ M. Hazrat Ali, "Rural Development in Bangladesh: An Analysis of Government and Non-Government Programmes," *The Journal of Development Review*, vol.7, No.1&2 (Jan to June, 1995).

innovation and quality. We ensure a working environment where BRAC staff are nurtured and treated with dignity and respect. The HRD is composed of eight sections - Policy, Progress and Communication, Performance Management, Human Resource Field Operations, Staff Separation and Compensation Management, Recruitment and Placement, Human Resource Information System, Gender Justice & Diversity, and Sexual Harassment Elimination (SHarE) and Staff Relations. Under the Human Resource Field Operations (HRFO), HR officers working at the head office coordinate and provide support to 15 decentralised HR field offices to accelerate HR services to BRAC field staff. In 2007, the division processed 132,525 applications and recruited 19,010 staff.

Increased outreach and impact

The village organisations are also the recruiting ground for some of our key community workers - such as the community health volunteers, agricultural extension workers, and paralegal volunteers - who enable BRAC to increase the outreach and impact of our programmes.

For instance, our 68,000 community health volunteers make home visits to 18 million village households every month and provide the first line of support in our essential health care programme. Every week, 1.55 million children attend our primary and pre-primary schools and are taught by more than 50,000 trained teachers - teachers who are drawn from the communities they live in. In total, we cover an estimated 110 million people with our services in microfinance, health, education, social development, human rights and legal services, and microenterprise support.⁴

From the beginning, BRAC has recognised that destitute rural women, while being the worst affected by poverty, can play a crucial role as agents of change. Rural women are placed in a vulnerable position as employment opportunities are limited and they lack health care services, receive less nutrition, and are less educated than their male counterparts. Also the growing number of female-headed households, as a result of the death of the male

earner, divorce, desertion and male migration, has left many women at the helm of their households. With all these factors in mind, BRAC focuses mainly on rural women, giving priority to their needs, bringing about meaningful transformation in their lives by making small loans available to them for income generating activities. We also provide livelihood development training, microfinance and social support to adolescent girls to help them prepare for adulthood and empower them to make their own choices for the future. Today, more than 98% of BRAC's 7.37 million borrowers and savers are women.⁵

Brac's Overview

BRAC believes that poverty must be tackled from a holistic viewpoint, transitioning individuals from being aid recipients to becoming empowered citizens in control of their own destinies. Over the years, BRAC has organised the isolated poor, learned to understand their needs, piloted, refined and scaled up practical ways to increase their access to resources, support their entrepreneurship, and empower them to become active agents of change. Women and girls have been the central analytical lens of BRAC's anti-poverty approach, recognizing both their vulnerabilities but also their thirst for change.

Today in Bangladesh alone, BRAC works to combat poverty in 70,000 villages and 2000 slums, and reaches three quarters of the entire population with an integrated package of services for rural and urban communities. We employ more than 100,000 people - microfinance officers, teachers, health staff, and enterprise managers - to be on the very doorstep of the poorest families making our services accessible, relevant and adaptable. We have learned over time to find the poorest of the poor - those who are destitute and outside the reach of most NGOs - and help them rebuild their lives from scratch and achieve financial independence.⁶

⁴ Mustafa et.al., *Beacon of Hope: An Impact Assessment Study of BRAC's Rural Development Programme*, Dhaka: RED, BRAC, 1996.

⁵ Nayeema Rahman, "Role of NGO's in Poverty Alleviation in Rural Bangladesh", in *Social Science Review*, vol. 17, No.2, The Dhaka University Studies, Part-D, University of Dhaka, Dec. 2000.

⁶ Ibid