Microfinance Profile
Leading the Way to Sustainable Future

Bangladesh Extension Education Services
Organizational Background

BEES has 41 years experience in diverse fields of development services notably education, health & nutrition, WatSan, food security, agriculture and social forestry, improving livelihood, entrepreneurship development, Microfinance gender development, relief & rehabilitation activities for disaster risk management and so on. The inauguration of BEES coincides with the history of Christian Reformed World Relief Committee (CRWRC) in Bangladesh. The development drive now being intervened and executed by BEES, was started as a rural development project under CRWRC, in Bogra, in 1975 with the Ministry of Agriculture Bangladesh. As one of its long-term goals, CRWRC also formed a local organization, BEES, to manage the Bogra Project. Later, CRWRC handed over the all out management responsibilities and ownership of the project to BEES in 1984. Since then, having the mission for bringing about socio-economic changes in the lives of the poor, illiterate, neglected, unskilled and malnourished people, especially women of the society through the empowerment of their life style, BEES enhance life skill development efforts of more than 30 lac people. BEES’ sets forth its activities with the objectives of accomplishing the factors that promote or boost development, giving emphasis on sustainability, behavioral change and women empowerment in terms of universal literacy, access to health care and income generating activities. BEES carry out its collaboration with the Government of Bangladesh, International donor agencies and NGOs aiming at reaching the envisaged goal.
Mission
BEES endeavors to bring about socio-economic changes in the lives of the poor, illiterate, neglected, unskilled and malnourished people, especially women and children, of the society through empowerment and improvement of their standard of living.

Vision
BEES’s vision is to establish a society where both men and women can work together to form institutions graduating in self-reliance to manage their own affairs and achieve a higher and sustainable standard of living.
What We Do

BEES has designed a wide range of diversified and interlinked programs, keeping human resource development at the centre, to empower underprivileged communities towards social and economic emancipation. Moreover, through its services well defined target groups of BEES are specifically covered under several initiatives synchronized with SDGs.

How we Work

- Motivates community members to come to common terms for progression
- BEES facilitates communities to discuss and analyze their current situation
- Prepares action plans through a systematic Participatory Rural Appraisal (PRA) approach
- Participatory planning results in a stronger ownership with more accountability
- BEES provides necessary skill development and capacity building to progress members towards self-reliance
Programs of BEES

BEES is such an organization which is dedicated exclusively to reducing poverty at community level. It aims in improving the understanding of community driven development approach and their role in poverty reduction. Having social and moral imperative to help poor respond to their existing challenges in an effective way, it has been implementing a wide range of diversified programs for empowering the disadvantaged communities. BEES placed human resource development at the center of development agenda through orchestrating the development activities mostly related to Microfinance, Agriculture & Social Forestry, Health, Nutrition, Food Security, and Quality Education and so on.

**Microfinance Program**

- **Savings Components**
  - General Savings
  - Emergency Savings
  - EDSP Savings
- **Credit Components**
  - Jagoron
  - Agroshor
  - Sufolon
  - Buniad
  - Sahosh
- **Insurance Components**
  - Credit Risk Management Fund
  - BEES Micro Insurance
- **Special Services**
  - PRIME
  - ENRICH
- **Social Services**

**Health and Nutrition Program**

- MaMoni- Health System Strengthening Project
- Sheba Health Program (BEES Self Supported Development Program)

**Agricultural Program**

- Agriculture and Social Forestry
- Poultry and Livestock

**Education Program**

- Early Childhood Care and Development (ECD)

**Special Program**

- Relief and Rehabilitation
- Climate Change

**Support Services**

- Training and HR Management
- Research and Documentation (R&D)
- Finance and Accounts Management
- Administration and Logistic Support
Microfinance

Microfinance, though a later entry in BEES’s developmental activities, is playing a vital role in changing the socio-economic condition of the target people since 1988. Earlier in 1980 as a project of CRWRC, in collaboration with Bangladesh bank and later with Rajshahi Krishi Unnoyan Bank (RAKUB), BEES has Initiated microfinance program. Currently, Microfinance is the major programs of BEES and provides the much needed capital to the beneficiaries to implement in various fields of developmental activities which helps them generate income for their concerned families. It has truly orchestrated a way for poverty alleviation through microfinance along with human resource development, income generation and other promotional activities.

Beside self-employment, a large number of wage based employment opportunities are also being created in every year. The beneficiaries’ are becoming graduated every year and they are receiving micro enterprise loan as entrepreneurs. The small businesses are creating employment prospects for the target population. The cycle is creating multiple positive impacts to reduce poverty. Microfinance, now works in holistic approach by providing health, education and agricultural support services. For increasing the self sustainability and thereby improving the physical well being, the demand of Microfinance fund has increased over years. Due to need and growth of this sector, BEES is borrowing from commercial banks other than PKSF to increase the total outstanding gradually to meet the demand of its client.
Goal
Enhancing the scope of social-economic uplift and empowering the disadvantaged people especially women through Microfinance.

Objectives
BEES designed its Microfinance Program through the lens of social pragmatic and sustainable development with the objectives:

• Creation of self and wage-based employment
• Contribution towards establishing social equity and fundamental human rights
• Improvement of life skills and unbundling livelihood opportunities for the underprivileged people
• Reduction of poverty through building resilience
• Ultimately, supplement sustainable development as a hole.
Target Area & Population

Enhancing the scope of community development as a whole, BEES’ pro-poor programs are designed properly to cater to the beneficiaries covering the wide range of population in light of the Sustainable Development Goals. Men, women, children, adolescents and disabled people within the program areas are the target beneficiaries with special emphasis on insolvent women and hard core poor. Presently, BEES is providing services for improvement of livelihood to a population of more than 35lac people out of the total population under microfinance program.

Program Approach

Building and Strengthening Community Institutions, Centering upon Community Empowerment, Establishing Human Rights for social Equity, Pro-poor and Gender Sensitive Interventions, Demand responsive and Decentralized Service Delivery Mechanisms, Promotion of Good Governance and Human Resource Development are the major approaches of BEES to run all programs smoothly.
Components of Microfinance Program

BEES microfinance program is a package of Programs for development and poverty reduction. The components of this program are

1) Savings components
2) Credit components
3) Insurance components
4) Social Components

BEES organised the rural and urban poor people under a formal group following certain rules and regulations. Primary members of BEES should be landless (land owner from 0 to <0.50 Acres) and asset-less. Moreover, through this process (as described below), the members who become graduated are the members of BEES's Micro enterprise Program.

Savings components

Every group member of BEES needs to maintain two obligatory savings account; 1) general savings and 2) Emergency Savings. Moreover, BEES enjoys the opportunity to keep up an optional savings which is called Enterprise Development Savings Program (EDSP).
General Saving

It is a compulsory saving for the members. Every member of BEES has to deposit Tk.30.00 to 300.00 every week in their Group meeting. They can withdraw 50% of yearly deposit twice a year. When a member leaves BEES, she/he can withdraw full amount recovering the dues properly. BEES gives 6% per Annum as interest to the accounts.

Emergency Savings

This is another compulsory saving for BEES members. Every member has to deposit Tk.10.00 to any amount per week in their Group meeting. They are eligible to withdraw any amount whenever they want. If any of the members leave BEES, he/she can withdraw the total amount after recovering all the dues. The interest rate is same as General savings.

Enterprise Development Savings Program (EDSP)

This is an optional and unique saving product for BEES members. The members those who are interested to receive Micro enterprise loan and want to be an entrepreneur, it is an opportunity for him. Member can deposit any amount on regular monthly basis. The interest rate is initially 6% per annum. But, after three years the members will get additional 2% as grant.

Credit components

Credit is the most significant component of microfinance program. The members receive capital through credit facilities to fight against poverty. BEES has 5 different loan products, they are:

1. Jagoron (Basic credit facilities for rural and urban poor people);
2. Agroshor (Enterprise loan facilities for rural and urban small entrepreneur);
3. **Sufolon** (Agricultural credit facilities for the farmers);
4. **Buniad** (Credit facilities for the Ultra poor people);
5. **Sahosh** (Disaster recovery credit facilities at subsidized rate).

**Jagoron**

This component is for the moderate poor of Rural and Urban areas those who have cultivatable land less than 50 decimals. This is the major component of BEES Microfinance program. The individual loan range of the component is up to 49000. Borrowers can invest this loan in any legal income generating activities for their betterment.

**Agroshor**

A large number of members become graduated from normal program and come out of the poverty trap. This component is especially designed for them. Individual loan range of the component is BDT 50,000 to 15,00,000. The aim of the program is to create small entrepreneurs who will create wage based employment beside self-employment. BEES, through this program promotes small enterprise, businesses and creates subsequent employment opportunities in both rural and urban areas.

**Sufolon**

BEES, through this component disburse loan to the farmer for crop, livestock, fisheries and agriculture related business. Moreover, BEES disburses installment and seasonal loan based on the installment made by the loaner. BEES provides seasonal agriculture loan to its borrowers at the beginning of a particular season and collects it from
farmers after harvesting. Therefore, the farmers can utilize agricultural inputs properly and they can avail materials to increase their production day by day.

**Buniad**

Throughout the past years, BEES observed that even though its Micro-credit programs covers a large number of beneficiaries, but in many cases the ultra-poor remained left out due to a variety of reasons. From our experiences, we have realized that this sector required extra assistance and attention to come out of shadow of poverty. Thus, BEES initiated a specialized program that targets extreme poor including landless people.

**Sahosh**

Ultra-Poor, Moderate Poor and pro-poor, these groups get affected first by any disaster. Therefore, BEES have targeted these groups under Microfinance program. This program is specially designed to help the affected people to fight against all the natural calamities. To mitigate disaster, BEES provides loan to the affected borrowers at a yearly interest rate of 4% only. BEES also initiates relief and rehabilitation program for them.

**Insurance component**

BEES has two insurance components for its borrowers. They are:

(1) Credit Risk Management Fund (CRMF) and
(2) BEES Micro Insurance (BMI)
Credit Risk Management Fund (CRMF)

All of the borrowers except the Ultra-poor and PRIME should pay 1% of their disbursed amount as an insurance premium. Borrowers under Ultra Poor and PRIME Program can avail these facilities without paying anything. It is credit insurance. Firstly, if any of the borrowers or prime earning person of borrower’s family dies rest of their loan amount will be adjusted by the Insurance Fund. Secondly, disaster affected borrowers will get support from this fund as well. Thirdly, the borrowers who are severely affected by any disease are eligible to get support from this fund. Lastly, the loan amount of migrated and disable borrowers will be adjusted from this fund. Members will be eligible to get refund of their savings after adjusting the loan.

BEES Micro Insurance (BMI)

BEES has initiated an especial Micro Insurance policy for its member. It is not obligatory for all its members. Interested members can avail this policy. It is a kind of endowment policy with additional benefits such as agriculture, health, education and early childhood development care as well as death coverage.

Social Services Component

To improve the socio-economic condition, BEES also provides awareness and capacity building training, IGA training and primary health care services. To improve these social services BEES has a Member Charter of following twenty points:

- Follow the rules of BEES and overcome poverty by receiving and proper utilising necessary amount of loan from BEES.
- Attend every group meeting on time and inspire all members to do the same.
- Save more and protect ourselves from any difficulties.
- Don’t increase loan burden and never have overdue.
- Don’t clash with each other; every different opinion can be solved by discussion.
- Never use finger print; teach children.
- Register new born child at Union Perished/Municipality/City Corporation.
- Use Sanitary Latrine and wash hand clearly after using it.
- Feed colostrum to new born baby and give only breast feed up to six month age.
- Provide all immunization Vaccine to new born baby within a year.
- Don’t risk your daughter’s life by early marriage (before 18 years old).
- Grow more Fruits, herbs and Medicinal trees.
- Rear livestock and poultry through modern methods and increase income & nutrition supply for family.
- Take equal care of son and daughter; give them nutritious food.
- Stop giving or receiving dowry to establish a dowry free society.
- Take part in all the elections and cast Vote by your own decision.
- Receive BEES health Services and stay healthy.

**Special Program**

Currently, there are two running special programs to reduce poverty as well as livelihood development under Microfinance. These programs are: 1) Programmed Initiative for Monga Eradication (PRIME) 2) Enrich (Shamriddhi).

**Programmed Initiative for Monga Eradication (PRIME)**

BEES has been implementing Programmed Initiative for Monga Eradication (PRIME) program of PKSF as one of its partner organizations in Monga affected area since 2008. This program has specially designed for Ultra-Poor. Under this program, particular initiatives has been taken to create opportunities for alternative wage employment and self-employment with value addition by other components like health service, emergency loan, flexible micro-credit, vocational training for skill development etc. As a result, a large number of beneficiaries’ cross poverty line and join mainstream microfinance program.
ENRICH (Shamriddhi) Project

Enrich is a program of holistic approach to address the multidimensional poverty, which means- “Enhancing resources and increasing capacities of poor households towards Elimination of their poverty.” BEES has been implementing the program at Nayonsree Union of Nobabgonj Upazila in Dhaka District since June 2014 under the supervision of PKSF. This program is designed to cover the whole population of the Union. Destabilized and deprived areas normally get selected for the program initiative.

Goal

To ensure human dignity and freedom by gradually reducing poverty in a sustainable manner, towards total elimination of poverty and beyond poverty sustainable development at the household level in the unions under the program.

Objectives

- Attaining total development of each household as well as the whole community participating in ENRICH.
- Ensuring freedom from all ‘un-freedom’ and human dignity for all members of all households under ENRICH.
- Empowering the poor households so that they can pursue a pathway that would lead them towards the goal.
- Ensuring access of all participants in ENRICH to all capacity enhancing activities such as education, skill training and health services, essential institutional facilities, appropriate technologies and so on.

Target beneficiaries: The community people participating in ENRICH

Working area: Nayonsree Union, Nobabgonj Upazilla, Dhaka.
**Employment Creation**

Employment creation plays a significant role in reducing poverty. BEES has been creating self and wage based employment through disbursing loan to achieve its goal. A current list of employment creation is given below-

<table>
<thead>
<tr>
<th>Self-Employment</th>
<th>Wage based Employment</th>
<th>Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>220976</td>
<td>181314</td>
<td>402290</td>
</tr>
<tr>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>36459</td>
<td>45177</td>
<td>81639</td>
</tr>
<tr>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>257435</td>
<td>226494</td>
<td>483929</td>
</tr>
</tbody>
</table>

**Innovative Programs**

Beside Microfinance, BEES has initiated following support and evaluation Program for strengthening and evaluating the main program. Programs are follows:

**Automation**

This is the age of technology. Technology has made work smoother and faster. BEES has started automation for microfinance program through a web based software prepared by an Indian Company named InfrasoftTech. BEES has its own server. Including Head office, all branches of BEES are now under the automation service. As a result, 90% of paper works of the branch level has reduced. Currently, our Off-Site monitoring system can monitor all the branches sitting anywhere at any time. It is also time and cost effective. It has made the microfinance program corruption free and increased our work efficiency.

**Rating**

Beside audit report, BEES also assesses the Quality and position of the organization by an External Rating Agency. Our Rating performance was Long-term A+ and short term ST-2 instead of A and St-2 last year. It is boosting our spirit to work more dedicatedly in achieving our goal.
Finally, the last year review shows that BEES microfinance program is playing a significant role in fulfilling its target to achieve its goal. Beside institutional development, a large number of people are improving their socio-economic position. It is creating a large number of employments opportunities every year. We believe that BEES will serve its target population more dedicatedly and achieve its aspiration in the way of making a poverty free Bangladesh.

**Projection for next Five years**

BEES has experience and qualified work force to achieve its target and goal. A well designed plan will help in future implementations which will bring success every year on a regular basis. BEES Microfinance’s next five years plan is given below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Branch</td>
<td>165</td>
<td>250</td>
<td>300</td>
<td>350</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>Number of Staff</td>
<td>1108</td>
<td>1524</td>
<td>2178</td>
<td>2678</td>
<td>3178</td>
<td>3678</td>
</tr>
<tr>
<td>Number Member</td>
<td>200566</td>
<td>300995</td>
<td>390566</td>
<td>480566</td>
<td>570566</td>
<td>660566</td>
</tr>
<tr>
<td>Number Borrower</td>
<td>173723</td>
<td>255846</td>
<td>335223</td>
<td>411723</td>
<td>488223</td>
<td>564723</td>
</tr>
<tr>
<td>Savings (Crore Taka)</td>
<td>103.65</td>
<td>163.65</td>
<td>215.64</td>
<td>285.64</td>
<td>365.64</td>
<td>455.64</td>
</tr>
<tr>
<td>Disbursement (Crore Taka)</td>
<td>593.01</td>
<td>963.00</td>
<td>1450.00</td>
<td>1900.00</td>
<td>2500.00</td>
<td>3200.00</td>
</tr>
<tr>
<td>Outstanding (Crore Taka)</td>
<td>352.12</td>
<td>563.50</td>
<td>847.12</td>
<td>1157.12</td>
<td>1497.12</td>
<td>1877.12</td>
</tr>
<tr>
<td>Net Surplus (Crore Taka)</td>
<td>13.01</td>
<td>22.00</td>
<td>38.00</td>
<td>70.00</td>
<td>100.00</td>
<td>130.00</td>
</tr>
<tr>
<td>Equity (Crore Taka)</td>
<td>26.95</td>
<td>47.00</td>
<td>85.00</td>
<td>155.00</td>
<td>255.00</td>
<td>385.00</td>
</tr>
</tbody>
</table>
**Future Directions**

To achieve sustainability, BEES has been working and analyzing its own activities, client’s needs and the development of its services continuously since its inception. In this incessant journey, BEES comes up with need based programs and projects which help the target population to come out of the poverty trap and live a standard life. Capital is an important element that helps bring socio-economic changes and thereby in the long run to become self-sustaining. All the ideas, knowledge and initiatives are taken get lost due to not having the requisite capital support to implement and get result. BEES intends to expand its microfinance intervention areas depending on need and demand all over the 64 districts of Bangladesh. Not only geographical expansion but also plans to bring out those target population who are left out from the support of microfinance, i.e the ultra poor and the disabled people through especial program and financial support.

Many Adolescent (Girls and Boys) are yet to be reached. Even though, they are getting high schooling and graduation, but not having required supports they are unable to achieve desired prospective. BEES is planning to tap this untapped section by providing tech-knowledge and building their capacity (both managerial and technical) and turned them into entrepreneurs not only for their self employment but also for creating employment opportunities for others as well.

BEES also believes that, providing capital will only lift them up to a certain level. But, if the health, education and basic required inputs are not assured, then it will be difficult for them to reach a healthy and sustainable standard of living. Therefore, BEES is planning to provide the basic services, i.e health, education (technical and academic) and input services (seed and saplings, low-cost agri-machineries, marketing support etc) as needed to its clients.

BEES now seeks support from the donors and financial institution for fund and technical support so that a holistic program can be designed to increase the well being of the target population and achieve the Sustainable Development Goal (SDG).