



Microfinance Profile

Leading the Way to Sustainable Future



Bangladesh Extension Education Services

Organizational Background

BEES has 44 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 Bogura, 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 Bogura 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 enhances the 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 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

BEES provides necessary skill development and capacity building to progress members towards self-reliance

Participatory planning result in a stronger ownership with more accountability

Prepares action plans through a systematic participatory rural appraisal (PRA) approach

Motivates community members to come to common terms for progression

BEES facilitates communities to discuss and analyze their current situation

Programs of BEES

BEES is such a 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

- **Compulsory Saving:** General Savings
- **Optional Savings:** Emergency Savings
- **Term Deposit:** Enterprise Development Savings Program (EDSP) and Fixed General Savings (FGS)

Credit Components

- Jagoron
- Agroshor
- Sufolon
- Buniad
- Sahosh

Special Program

- ENRICH (Shamridhi)

Insurance Components

- Credit Risk Management Fund (CRMF)
- BEES Micro Insurance (BMI)

Social Services Components

- Innovative Programs
- Automation
- Employment Creation
- Future Directions
- Projection for next five years
- Impact Study on Poverty Survey

Health and Nutrition Program

- Sheba Program

Agricultural Program

- Agriculture and Social Forestry Program
- Poultry and Livestock Program

Education Program

- Early Childhood Care and Development (ECD)
- Primary Education Program

Special Program

- Relief and Rehabilitation
- Climate Change
- Cultural & Sports Program

Support Services

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





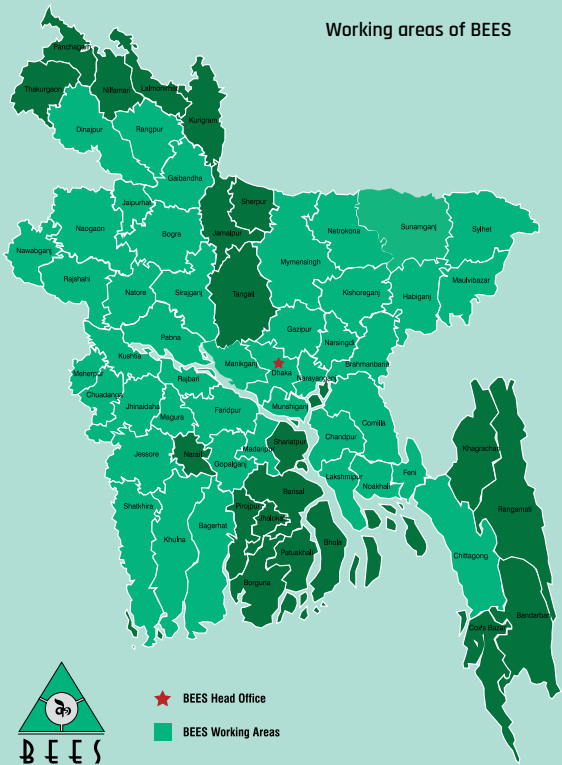
Goal

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 whole.



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 organized 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 Microenterprise Program.

Savings components

Only BEES members are eligible to deposit their money to BEES. BEES maintain the following saving products for its members:

- 1. Compulsory Savings:** General Savings
- 2. Optional Savings:** Emergency Savings
- 3. Term Deposit:** a) Enterprise Development Savings Program (EDSP) and b) Fixed General Savings (FGS)

General Savings

It is a compulsory savings 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 optional savings for BEES members. Every member can 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.

Term Deposit:

i) Enterprise Development Savings Program (EDSP)

This is a product of term deposit for the BEES members. Actually, it is a unique saving product for Micro Enterprise borrowers. 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.

ii) Fixed General Savings (FGS)

It is basically fixed deposit account for BEES members. Members can deposit any amount and they can draw interest on monthly basis or at a time after maturity period. interest rate is 11% per annum.

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 Microcredit program 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 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 Components

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 utilizing 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 ENRICH (Shamriddhi)

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, NobabgonjUpazilla, 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 list as on June, 2018 of employment creation is given below-

Self-Employment			Wage Based Employment			Total Employment		
Male	Female	Total	Male	Female	Total	Male	Female	Total
89461	224070	313531	51730	69736	121466	141191	293806	434997

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 Infra soft Tech. BEES has its own server. BEES has its own server station in the central office. Including Head office, all branches of BEES are now under the automation service. As a result, the paper works of the branch level has reduced significantly. Currently, BEES is using microfinance and accounting software, HR and payroll software, inventory software, fixed asset management software, cheque management software and digital archive software for its transparent and faster working process. Smart phones and tablets are being used for collecting installments from the beneficiaries and monitoring the branch activities regularly. Moreover, the beneficiaries get SMS for all their transactions instantly. 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, every year BEES also assesses the quality and position of the organization by an External Rating Agency. Last year our rating performance was long-term AA- and short-term ST-1, which is a clear sign of an exceptional performance. It is now boosting our spirit to work more dedicatedly in achieving our goal.

Microfinance Operational Performance Report

(Status As on June 30 2018)

Particulars	Status As on June 30-2018
Total Number of Branch	256
Member	223556
Borrower	189759
Savings Balance (USD)	18.45 Million
Loan Portfolio (USD)	58.73 Million
PKSF Loan Portfolio (USD)	2.92 Million
Banks & NBFIs Loan Portfolio(USD)	37.68 Million
Net Surplus/Equity (Cumulative) (USD)	8.16 Million
Number of Field organization	1013
FO: Loan Portfolio (USD)	1: 57977
On time Realization (OTR) (Standard: Min 92%)	98.13%
Cumulative Recovery Rate (CRR) (Standard: Min 95%)	99.57 %

Portfolio at risk	(Standard :< 10)	4.64 %
Delinquency Rate	(Standard :< 5)	3.13 %
Operational Self-sufficiency		115.00 %
Financial Self-sufficiency		107.17 %
Debt to Equity Ratio	(Standard : Max 9:1)	7.29 : 1
Capital Adequacy Ratio	(Standard : Min : PKSF-10 & MRA – 15)	13.94%
Debt Service Cover Ratio	(Standard : Min: 1.25:1)	1.01 : 1
Current Ratio	(Standard : Min : 2:1)	3.12 : 1
Liquidity to Savings Ratio	(Standard : Min : 15)	24.70 %
Rates on Return on Capital	(Standard: Min: 1%)	35.29 %
Return on Total Asset	(Standard: Min 3%)	3.03 %

Five Years Business Plan

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–

Particulars	At the end of June-2018 (Actual)	At the end of June-2019 (Planned)	At the end of June-2020 (Planned)	At the end of June-2021 (Planned)	At the end of June-2022 (Planned)	At the end of June-2023 (Planned)
Number of Branch	256	266	286	311	341	376
Number of Member	223556	263556	313556	383556	463556	563556

Particulars	At the end of June-2018 (Actual)	At the end of June-2019 (Planned)	At the end of June-2020 (Planned)	At the end of June-2021 (Planned)	At the end of June-2022 (Planned)	At the end of June-2023 (Planned)
Number of Loan Recipient	189759	223759	266259	325759	393759	478759
Savings Balance (USD)	18.46 M	24.34 M	25.63 M	41.40 M	53.16 M	57.28 M
Loan Portfolio (Principal) (USD)	58.73 M	76.38 M	105.79 M	141.08 M	188.14 M	246.97 M
Cumulative Equity (Net Surplus) (USD)	8.16 M	10.75 M	14.28 M	18.99 M	24.87 M	31.93 M
<u>Sources of Fund to Address the Planned Loan Portfolio</u>	-	-	-	-	-	-
From PKSF/Bank/NBFIs (Non-bank Financial Institutions) (USD)	40.59 M	53.06 M	74.24 M	99.53 M	133.65 M	176.82 M
From International Borrowing (USD)	-	5.88 M	17.65 M	29.41 M	41.18 M	58.82 M
Cumulative Recovery Rate (CRR)	99.50	99.55	99.58	99.56	99.69	99.63
Portfolio at Risk (PAR)	4.64	4.10	3.90	3.70	3.50	3.25
Operational Self-Sufficiency (OSS)	115.00	124.21	126.40	128.31	132.14	134.52
Financial Self-Sufficiency (FSS)	107.17	119.12	120.21	119.86	122.22	125.33
Total Staff in Microfinance Operation (Field + Head Office)	1683	1916	2116	2336	2586	2886

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).

Finally, the past years 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.

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Microfinance Program

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