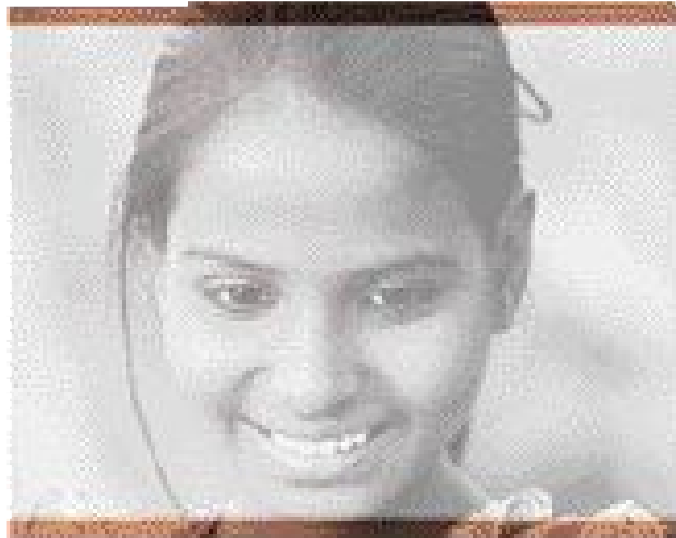


B R A C
ANNUAL REPORT

2002



VISION

A just, enlightened, healthy and democratic Bangladesh free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex, religion and ethnicity.

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MISSION STATEMENT

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 change 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 organization depends on an environment that permits the poor to break out of the cycle of poverty and hopelessness. To this end, 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 programs socially, financially and environmentally sustainable, using new methods and improved technologies. As a part of its support to the program participants and its financial sustainability, BRAC is also involved in various income generating enterprises.

Poverty reduction programs undertaken so far have bypassed many of the poorest. In this context one of BRAC's main focuses is the ultra poor.

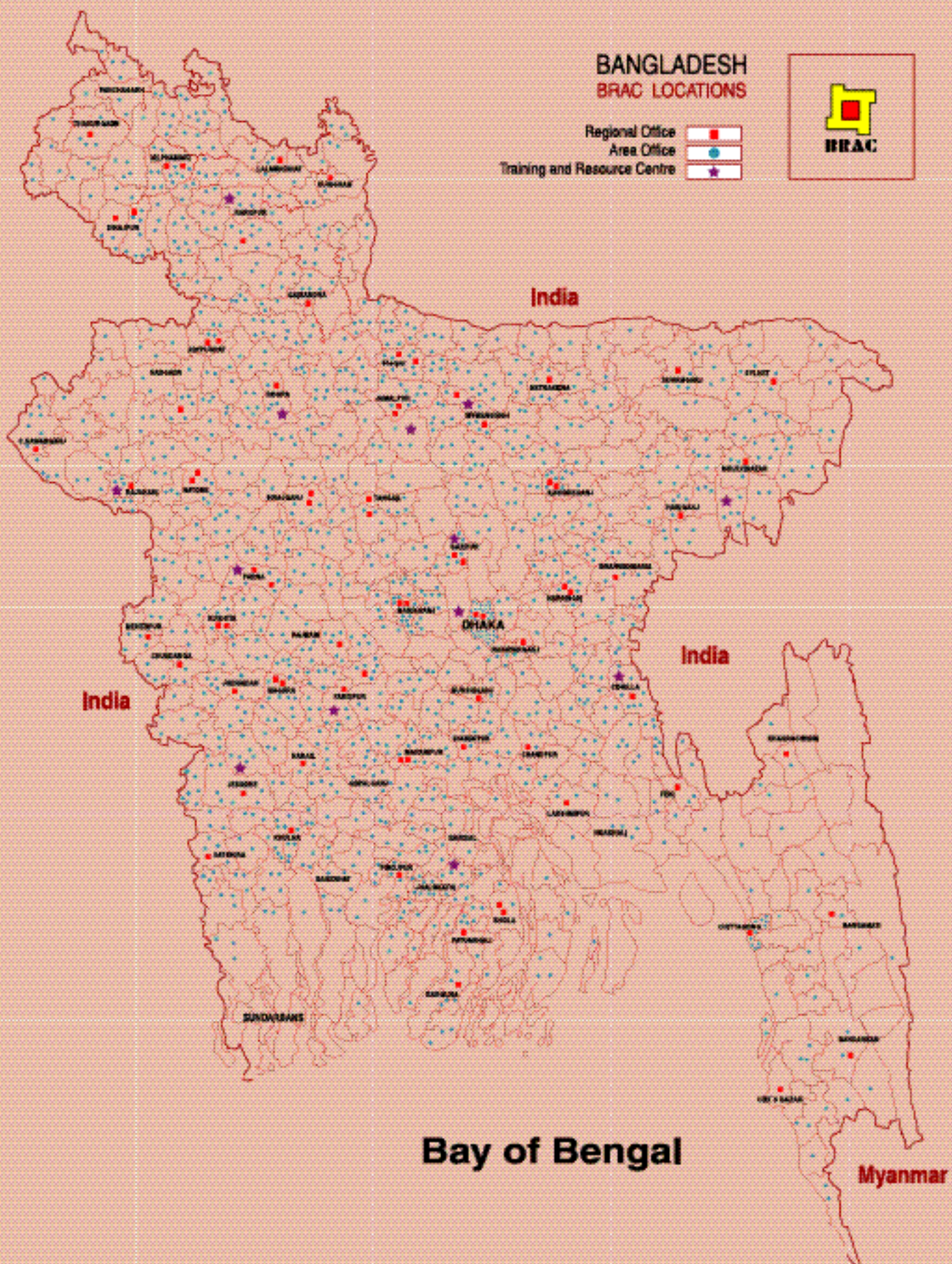
Given that development is a complex process requiring a strong dedication to learning, sharing of knowledge and being responsive to the needs of the poor, BRAC places a strong emphasis on their organizational development, simultaneously engaging itself in the process of capacity building on a national 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 organization and those they serve.

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

ACRONYMS

ADP	Adolescent Development Program	NCU	NGO Cooperation Unit
ARI	Acute Respiratory Infection	NEER	Non-farm Enterprise Extension Reinforcement
AO	Area Office	NFPE	Non-Formal Primary Education
BCDM	BRAC Centre for Development Management	NID	National Immunization Day
BEOC	Basic Education for Older Children	NGO	Non-Governmental Organization
BEP	BRAC Education Program	NSV	Non-Scalpel Vasectomy
BRAC	Bangladesh Rural Advancement Committee (<i>former name</i>)	PACE	Post Primary Basic And Continuing Education Program
CEP	Continuing Education Program	PHC	Primary Health Care
CFPR	Challenging the Frontiers of Poverty Reduction	PSE	Program Support Enterprises
DANIDA	Danish International Development Agency	RDP	Rural Development Program
DNFE	Directorate of Non-Formal Education	RED	Research and Evaluation Division
EDP	Economic Development Program	REP	Rural Enterprise Project
EHC	Essential Health Care	RHDC	Reproductive Health and Disease Control
EIGP	Employment and Income Generating Program	RLF	Revolving Loan Fund
EPI	Expanded Program on Immunization	RSDP	Rural Service Delivery Program
ESP	Educational Support Program	RTI	Reproductive Tract Infection
ESP	Essential Service Package	SRC	Sericulture Research Centre
GEP	General Education Project	SS	Shastho Shebika (<i>Health Care Worker</i>)
GP	Global Partnership	SSC	Secondary School Certificate
GQAL	Gender Quality Action Learning	STD	Sexually Transmitted Disease
HNPP	Health, Nutrition and Population Program	TARC	Training and Resource Centre
HRLE	Human Rights and Legal Education	TUP	Targeting the Ultra Poor
H&FPFP	Health & Family Planning Facilitation Project	VGf	Vulnerable Group Feeding
IGVGD	Income Generation for Vulnerable Group Development	VO	Village Organization
MED	Micro-Enterprise Development	VSC	Voluntary Surgical Contraception
MELA	Micro-Enterprise Lending and Assistance	WFP	World Food Program
MOU	Memorandum of Understanding		



BRAC AT A GLANCE

As on December 31, 2002

Program Coverage

Districts	64
Thanas (sub-districts)	480
Villages	61,924
Urban Slums	2,288
Population Covered	70 million
Water-body under Fisheries	47,421 Acres
Land under Agriculture	386,431 Acres

Development Programs

Village Organizations	113,756
Membership - Total	3,531,513
- Female	3,516,838
- Male	14,675
Loan Disbursement - Year 2002	Tk. 17,065.90 million US \$ 294.24 million
Loan Disbursement - Cumulative	Tk. 86,610.20 million US \$ 1,796.54 million
Loan Outstanding	Tk. 9,250.79 million US \$ 159.50 million
Repayment Rate	99.27%
Members' Savings	Tk. 4,983.96 million US \$ 85.93 million
Currently Enrolled in BRAC Schools	1.10 million
Graduated (till to date)	2.4 million
Legal Literacy - Courses Held	86,923
- Learners Completed	2,069,376

Commercial Enterprises

Aarong Shops	8
Printing Press	1
Dairy & Food Project	1

Job Creation

Poultry	1,629,279
Livestock	340,514
Agriculture	733,593
Social Forestry	29,431
Fisheries	234,412
Sericulture	17,557
Horticulture	165,891
Agro-Forestry	44,077
Handicraft Producers	14,987
Small Enterprises	62,608
Small Traders	1,826,439

Human Resources

Staff	27,608
School Teachers	33,541*
Community Veterinarians	3,654
Community Health Workers	21,282
Poultry Workers	52,227
Community Nutrition Workers	7,926
Nutrition Women Members	71,910

Program Infrastructure

Regional Offices	107
Area Offices	464
Team Offices	1,190
Training Centres	14
Health Centres	98
Diagnostic Laboratories	98
Community Nutrition Centres	7,191
Antenatal Care Centres	6,519
Schools	34,000
Libraries	700
School Reading Centres	7,896
Handicraft Production Centres	270
Limb and Brace Centre	1

* 459 teachers run two schools each

Annual Expenditure

Year	Amount	Donor Contribution (%)
1997	Tk. 4,215 million US \$ 102 million	36%
1998	Tk. 6,283 million US \$ 130 million	32%
1999	Tk. 7,708 million US \$ 148 million	30%
2000	Tk. 8,024 million US \$ 152 million	21%
2001	Tk. 8,135 million US \$ 153 million	21%
2002	Tk. 9,259 million US \$ 161 million	20%



Program Support Enterprises



	No.	Capacity (annual)
Poultry Farms	6	14 million Chicks
Feed Mills	3	35,000 MT
Prawn Hatcheries	8	15 million post larvae
Fish Hatcheries	4	4,500 kg fish spawn
Seed Processing Centres	2	6,000 MT
Seed Production Farms	18	4,000 MT
Sericulture - Silk Reeling Centres	3	15 MT
- Grainages	12	2.0 million dfl
Nurseries	24	2.4 million
Bull Station	1	120,000 dose
Salt Factory	1	10,000 tons

Related Companies/Institutions

BRAC Industries Limited	Cold Storage
BRAC BD Mail Network Ltd.	Internet Service Provider
BRAC Services Limited	Hospitality
BRAC Renata Agro Industries Ltd.	Poultry Farm
BRAC Concord Lands Limited	Land and Housing
Delta BRAC Housing Finance Corp.	Housing Finance
BRAC University	Tertiary Education
BRAC Bank	Small & Medium Enterprise Finance & Banking

BRAC TIMELINE : MAJOR EVENTS

- 1972 BRAC starts at Sulla (Sylhet) as a relief organization
- 1973 Transition to a development program
- 1974 Relief work among famine and flood victims of Rowmari, Kurigram started
- 1974 Microcredit started
- 1975 Research and Evaluation Division (RED) established; Jamalpur Women's Project commenced
- 1976 Manikganj Integrated Project initiated
- 1977 BRAC commences 'targeted' development approach through Village Organizations (VO); BRAC Printers set up in Dhaka
- 1978 Training and Resource Centre (TARC) set up at Savar; Aarong set up in Dhaka; Sericulture starts in Manikganj
- 1979 Outreach, Rural Credit and Training Program (RCTP), Poultry Program commenced
- 1980 Oral Therapy Extension Program (OTEP) launched
- 1983 Livestock Program initiated
- 1985 Non-formal Primary Education Program (NFPE), Income Generation for Vulnerable Group Development (IGVGD) Program launched, Rural Enterprise Project (REP) launched
- 1986 Rural Development Program (RDP) formed by merging Rural Credit and Training Program (RCTP) and Outreach; Child Survival Program (CSP) commenced
- 1988 Monitoring Department set up
- 1990 Rural Credit Program (RCP) commenced; Management Development Program (MDP) set up; Vegetable cultivation becomes a separate program
- 1991 Women's Health Development Program (WHDP) commenced
- 1992 BRAC Centre for Development Management (BCDM) established
- 1993 Training Division, Women's Advisory Committee (WAC) set up,
- 1994 Non-formal Primary Education program (NFPE) sets up a desk in Nairobi under the auspices of UNICEF to advise some African countries in primary education.
- 1995 Fifteen Adult Literacy Centres opened under NFPE; BRAC enters Global Partnership for NGO studies, education and training; Gender Quality Action Learning (GQAL) and Gender Resource Centre (GRC) established.
- 1996 Rural Development Program (RDP) IV commenced; Micro-Enterprise Lending and Assistance (MELA) launched; BRAC BDMail goes into operation
- 1997 Urban Development Project starts; Delta BRAC Housing program launched
- 1998 BRAC Dairy and Food Project commissioned, Chittagong Hill Tracts Development Project underway
- 1999 BRAC Information Technology Institute launched
- 2001 BRAC University
- 2001 BRAC Bank
- 2002 Challenging the Frontiers of Poverty Reduction launched
- 2002 BRAC-Afghanistan
- 2002 Advocacy Unit



BRAC : AN OVERVIEW

BRAC, a national private development organization, set up in 1972 by Mr. Fazle Hasan Abed, began as a relief oriented organization focused on resettling the refugees returning from India after the War of Independence in 1971. This task over, BRAC turned its focus on the issue of poverty alleviation and empowerment of the poor, especially women, in Bangladesh's rural areas.

BRAC, the acronym for Bangladesh Rural Advancement Committee has become its identity and it stands for working for the poor and the marginalized. From its modest birth in 1972, it is now the world's largest national NGO, diverse in its operations with over 27,000 regular staff and 34,000 part time teachers, working in 61,924 villages in all the 64 districts of Bangladesh. BRAC has progressed with learning from experience and through a responsive and inductive process. Adjusting its strategy to prevailing circumstances, it does not pursue any rigid development model.

BRAC diagnoses poverty in human terms. Women with social, cultural, technological and structural constraints have been able to transform themselves as contributors not only to their families' well being but national production and development as well by increasing their access to economic and social resources with BRAC's assistance. Currently, BRAC promotes income generation and social development of the poor, mostly landless rural people of Bangladesh, through micro-credit, health, education and training programs.

To deal with a complex syndrome like poverty BRAC applies a holistic approach encouraging innovative interventions through three core program areas, Economic Development, Health and Education.

Economic Development Program (EDP) has so far organized over 3.53 million poor landless people, mostly women, into 113,756 Village Organizations (VOs), each having 30-40 members. These groups serve as forums where the poor can collectively address the principal structural impediments

to their development or supply credit. BRAC's credit program, initiated in 1974, has disbursed US\$ 1.80 billion (Tk. 8,661 crore) through the VO members to enhance their income generating capacities. Disbursement for the year 2002 was US\$ 294 million (Tk. 1,707 crore). Additionally, access to credit comes with encouragement to save regularly. Their savings deposited with BRAC now stands at US\$ 85 million (Tk. 498 crore). While BRAC believes that micro-credit is an important tool in breaking the cycle of poverty, it also places equal emphasis on training of its members in income generating activities and in facilitating their linkages with consumer markets. BRAC also runs a number of social development initiatives designed to increase members' awareness of their rights and responsibilities and to facilitate addressing issues of discrimination in their villages and region. BRAC continuously challenges itself to question its own assumptions, implicit and explicit, and reviews them in the light of unfolding reality and experiences.

BRAC's Health, Nutrition and Population Program takes a broad approach to the health needs of the poor people providing basic curative and preventive services to a large number of the poor reaching more than 31 million people. Trained health workers and female health volunteers (Shastho Shebika) work to raise awareness of the rural poor on health issues that directly impact on their lives and families. It seeks to reduce maternal and child mortality and reduce vulnerability to common diseases. Services are offered to control infectious diseases such as tuberculosis, acute respiratory infections, diarrhoea, etc. The program also provides services to pregnant women for improving their health and nutrition status. Beside these, reproductive health needs of the community in general, with particular focus on BRAC members, are addressed in family life education, contraception, STD/RTI control and awareness against HIV/AIDS. BRAC is encouraging rural people to use safe water and hygienic sanitation for health and environmental reasons. The Nutrition Facilitation Program, is working as a partner of the Bangladesh Government's health initiative.

In 1985, BRAC initiated the Non-Formal Primary Education (NFPE) Program by setting up 22 one-room schools to provide basic education to the children of poor landless families. This program has grown to 34,000 one-room schools providing education to 1.1 million children. BRAC places a special emphasis on girls' education and involvement of families in their children's school life. As a result, over 65% of NFPE's students are girls. The importance of maintaining literacy outside the school setting has been addressed with BRAC's community based libraries that give members access to a variety of reading materials. Adolescent Development Program (ADP) is a new initiative to train adolescent BRAC School graduate girls and boys on different skills, health awareness including reproductive health and leadership. The BRAC school model has been adapted in a number of developing countries.

BRAC provides support to these three core areas of its activities through various support programs. BRAC's Training Division is involved in all aspects of staff and VO members training, be it poultry rearing or developmental management. The Training Division has established twelve residential Training and Resource Centres (TARC) and two BRAC Centres for Development Management (BCDM) to achieve its objectives. To promote gender equity throughout the organization and within the community BRAC serves, it has initiated a Gender Quality Action Learning (GQAL) program.

The Research and Evaluation Division (RED), Monitoring, Publications, Public Affairs and Communications, Human Rights and Advocacy, and Construction and Logistics departments support the core programs.

To link the poor rural producers with the expanding urban markets, BRAC has undertaken some commercial projects, such as Aarong (retail handicraft stores chain) which links artisans with the market. Such ventures also serve to fund its core development programs. BRAC Dairy was commissioned in 1998. It is the second largest liquid milk plant in Bangladesh and has an integrated system of milk procurement from rural dairy farmers to the production of quality dairy products. Six Poultry Farms and three Poultry Feed Mills have been set up to meet the increasing demand for healthy

chicks and quality feed in rural areas as well as provide supply access to women trained in a variety of aspects of poultry rearing. BRAC Printers, a Cold Storage, 15 Grainage and Reeling Centres (Sericulture), 12 Fish and Prawn Hatcheries and a Bull Station are also among its program support enterprises.

BRAC has set up a Tissue Culture Laboratory and two Seed Processing Plants and agricultural farms to make new agricultural technology available to its members and the farming community at large.

BRAC has worked with the Organization of Rural Associations for Progress (ORAP) in Zimbabwe and the School for International Training (SIT) in the United States to create the Global Partnership Program which offers post-graduate diploma in 'NGO Leadership and Management'. The courses are designed to prepare students for successful careers in development at home and abroad.

BRAC University was inaugurated in 2001 to foster national development by creating a center of excellence for higher education that is responsive to society's needs, able to develop creative leaders and actively contribute to learning and creation of knowledge. BRAC is also concerned with providing training in Information Technology (IT) through the BRAC Information Technology Institute and is part of BRAC University.

BRAC Bank is a full-fledged commercial bank focusing on providing financial services to small and medium enterprises and intends to expand nationwide to provide services to this client group in particular.

BRAC has been implementing a new program since January 2002, focusing on development of the ultra poor who live below the poverty line as interventions including poverty alleviation efforts have generally neglected to address the needs of the ultra poor. The program titled "Challenging the Frontiers of Poverty Reduction (CFPR)" comprises inputs such as asset transfer, social empowerment, training and essential health care to 1,345,000 ultra poor. The program is being piloted in the northern districts of Rangpur, Kurigram and Nilphamari districts for 5,000 ultra poor people.

In 2002, BRAC received a total of 345 visitors from abroad representing government, non-government and media communities, including 91 trainees and 58 interns, to share its development experiences.

The actual expenditure of BRAC for the year 2002 was US\$ 161 million. Donor contribution accounted for 20% of that amount. The projected budget for BRAC for the year 2003 is US\$174 million. Donor contributions will account for 18% of that amount.

BRAC-Afghanistan

The recent events in Afghanistan opened a door for reconstruction of the country. Bangladesh is empathetic to the plight of the Afghan people. Considering the situation BRAC thought that its own experience as a catalyst in the development of Bangladesh could be shared with Afghanistan. Since June 2002 BRAC is involved in implementing livelihood, education and health programs in Afghanistan.

ECONOMIC
DEVELOPMENT

ECONOMIC
DEVELOPMENT



The Economic Development Program (EDP) works with and for the disadvantaged rural people of Bangladesh, especially women, and it has a compelling vision of a society where the poor and disadvantaged will be able to achieve sustainable improvement in their livelihoods, attain a high degree of self reliance and manage their own affairs with dignity and freedom.

In the last three decades, with more than three and a half million rural women, it has been able to reach a large number of poor people. EDP has been working in all the 64 districts of Bangladesh and has a wide range of interventions including institution building, microfinance, sector program, social development and health intervention. EDP's greatest strength lies in its innovative development programs and learning from experiences.

Institution Building through Village Organization (VO)

To bring the rural poor into mainstream of development, BRAC focuses on institution building as a strategy. BRAC believes that a common platform that is created and owned by the poor is a prerequisite through which the poor can make themselves count in the development process. The Village Organization (VO) is an association of the poor and the landless people who come together with the help of BRAC to try and improve their socioeconomic position. BRAC's approach to social and economic development of the poor, especially women, involves four inter-related strategies: institution building, service delivery, social mobilization and public sector mobilization.

BRAC's core approach and competency is the delivery of health, education, microfinance, and micro-enterprise services on a large scale to the rural poor, primarily women. BRAC decided to train local women to help deliver these services and organize local groups. As a result, BRAC's service delivery contributes to building local leadership and local organizations.

As of December 2002, BRAC had organized its 3.53 million members into 113,756 VOs across the country. BRAC's microfinance staff meet VOs once a week to

discuss and facilitate credit operations, the social development staff meet VO members twice a month to discuss various socioeconomic and legal issues and the health staff meet with the VOs once a month to discuss health issues.

Social Mobilization

BRAC believes that women must be aware of their legal rights to protect themselves from being discriminated and exploited, and that the socio-political relationships and power structures within village communities need to be changed. Poor women need encouragement to take action when their rights are infringed. To take such a step, women often need external assistance, such as the help of a lawyer or the police. BRAC feels that it can assist poor women obtain access to these services, either through legal aid clinics or by helping women report cases at the local police station or when seeking medical care like the case of acid victims.

BRAC's social development program was broadened in 1998 to incorporate issue-based meeting, Polli Shomaj and Popular Theatre as forums for empowering the VOs.

Issue-based meeting: The VO members meet once a month to discuss issues related to social injustice,

health, education, legal education and rights, violence against women and women's oppression. Through these monthly meetings, the VO members try to find solutions to many of their problems. This forum is considered to be the first step towards gaining a voice and participating in larger fora.

Polli Shomaj: The Polli Shomaj (Rural Society) is a Ward level organization made up of representatives from several VOs. This initiative, started in 1998, was meant to complement the government's initiative to set up local government bodies. What is unique about BRAC's Polli Shomaj is that it has an all women membership.

By the end of December 2002, BRAC has helped VO members to form 11,114 Polli Shomaj groups. So far, these groups have addressed issues such as illegal divorce, dowry, under-age marriage, polygamy, corruption and injustice within the community. Polli Shomaj members are also participating in greater number in resolving social conflicts through local arbitration (Shalish), and playing an active role in lobbying the Union Parishad for delivering various benefits (VGD cards, old age pension etc.). Polli Shomaj members (1,500 approximately) contested successfully in local elections and became Union Parishad members.

Popular Theatre: The Popular Theatre program was started in 1998 to bring to light various social issues that affect the poor in rural communities. Through the medium of plays, various social ills and injustices, and possible solutions to the problems are highlighted and information is disseminated about existing laws to protect the rights of the poor. At the same time, this program helps break traditional gender roles and gender segregation by encouraging and allowing women to participate in theatre groups and get involved in public performances. It is also providing entertainment for the rural poor. As of December 2002, BRAC formed 136 drama groups involving 872

performers. A total of 13,649 shows were staged in 25 regions. This is one of the most popular of BRAC's programs.

Human Rights and Legal Education (HRLE): In mid -1986, the HRLE program was initiated with the belief that legal awareness among VO members would help them protect themselves from illegal, unfair, or discriminatory practices. The purpose of the program was to increase the VO members' knowledge about the existing laws, legal system and their willingness to take up and act on their legal responsibilities. The modus operandi of the HRLE Program is through a training course on 7 basic laws: Citizen's Rights Protection Law, Criminal Law, Muslim and Hindu Family Laws, Muslim and Hindu Inheritance Laws, and Land Law. In 2002, Laws on Trafficking of Children and Women and Acid Throwing have also been added. Till December 2002, 86,923 courses were held for 2,069,376 learners. The HRLE courses offered by BRAC enable the VO members to share lessons which they have learnt in the courses.

Legal Aid Clinic: Most of the conflicts and problems can be solved through local arbitration (Shalish). However, many of the cases cannot be resolved without resorting to legal procedures. The poor are not usually in a position to pay for such services. In recognition of the above situation BRAC, in co-operation with Ain O Shalish Kendra, a legal aid organization, started its legal aid program in 1998. This program provides legal training and services to both the members and non-members. The legal aid clinic at the Area Offices provides such services every Sunday.

In 2002, a total of 11,175 complaints were received by the legal aid clinics. Of these, 3,187 cases were settled through arbitration by trained paralegal staff and 2,055 cases were sent to court. Most of the complaints were related to maintenance issues. BRAC helped its members obtain monetary compensation amounting to US\$ 283,103 (Tk. 1.7 crore) through arbitration and court proceedings.



Local Community Leaders' Workshop: BRAC Area Offices convene one-day workshop of VO leaders and community leaders every three months to discuss local socio-political and legal issues in an open forum. These workshops are designed to make the traditional elite leadership more accountable to their communities.

The participants in this workshop include the current Union Porishod (UP) Chairman, UP members, the local Qazi (marriage and divorce registrar), Imam, teachers, journalists, local leaders and influential persons of the locality. The HRLE Shebika, the Polli Shomaj Chairperson, the Program Organizers (PO) of Human Rights and Legal Service and Social Development, the Area Coordinator, the Area Manager and the lawyer also participate. A total of 6,606 such workshops were held upto 2002.

Microfinance Program

The microfinance program of BRAC is a tool for poverty alleviation and empowering the poor. Lack of access to the formal banking system deprives them of the facilities to borrow, save and invest in productive activities, and this is a major reason why poor people remain poor. The formal banking sector also requires collateral. Making credit available to the rural poor enables them to become involved in different income generating activities which, in turn, allows them to become economically self-reliant. Through this process BRAC's microfinance program works to create a self-sustaining and reliable financial service program for the poor.

i) Credit

Credit is provided to its VO members to initiate different income generating activities. While loans for

individual and joint activities do not require collateral, members must have some savings with BRAC before they are eligible for loans. Credit operations are carried out through a Revolving Loan Fund (RLF). This RLF consists of donors' fund, members' savings, Polli Karmo Shohayok Foundation (PKSF) loan and other loans. Loans realized from VO members are credited to and form part of the RLF for extending further credit. A 2% loan loss reserve is kept to cover the risk of bad debts and death. Regular borrowing and payments allow the borrower to take larger loans.

Key Features of Loan

- Loan range: US\$ 17 (Tk.1,000) to US\$ 345 (Tk. 20,000)
- Service Charge: 15%
- Repayment mechanism: Equal weekly installments
- Loan products: General loan, sector program loan, housing loan and emergency loans given at the time of disaster

In 2002, US\$ 294 million (Tk. 1,707 crore) has been disbursed to 2.9 million borrowers with repayment rate of over 98%.

ii) Savings

Savings is an important component of microfinance services. Experiences show that there is a positive

correlation between savings and sustainable credit operation. From the member's point of view, savings represent an opportunity to save in small amounts to form a lump sum that earns interest. This is an opportunity that the formal market or regular financial institutions do not provide.

A VO member may save in three ways:

Weekly Personal Savings: On average, members are required to save a minimum of US 10 cents (Tk. 5) every week.

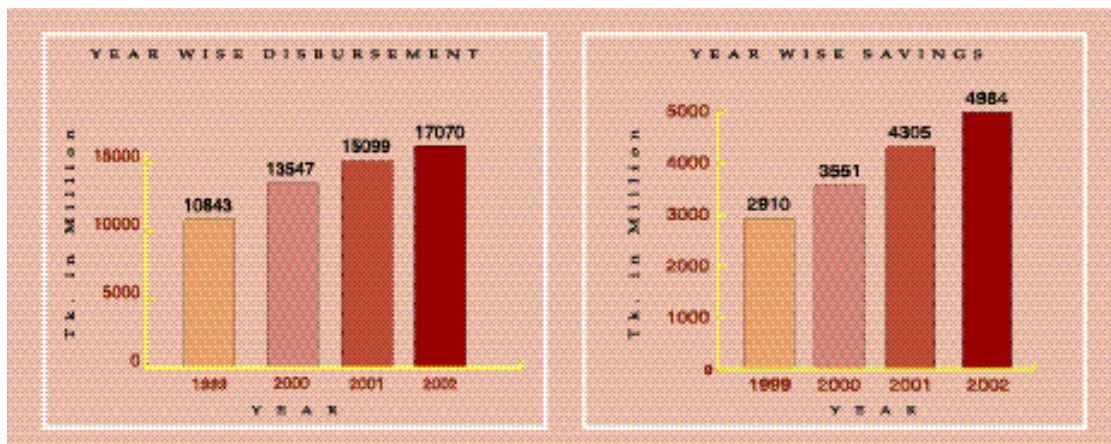
Compulsory Savings: When VO members take loans, it is mandatory that they deposit 5% of the loan amount into their savings account. A member can withdraw 50% of their net savings at any time of the year.

Current Account Savings: Current Account Savings has been recently introduced that bear no interest but allow the group members to make unlimited withdrawals. This has the following features:

Convenience: The Area Office is conveniently located to allow all members to deposit money into their current accounts.

Liquidity: Members can withdraw any amount of savings from these accounts at any time.

Safe Keeping: The Area Office is a safe place to keep savings instead of their houses.



By the end of 2002, the total savings stood at US\$ 85.93 million (Tk. 498 crore).

iii) *Death Benefit*

A death benefit policy has been introduced for its VO members since June 1990. The key features of BRAC's death benefit are:

- All VO members irrespective of borrowers are entitled to this benefit.
- Death benefit service provides US\$ 86 (Tk 5,000) to the dependants of the deceased member.
- No premium is charged to the members. The cash benefits are paid out of the service charge earned through BRAC credit program.
- Outstanding loans of the deceased are written off.

Micro Enterprise Lending and Assistance (MELA)

Micro Enterprise Lending and Assistance (MELA) program was launched in December 1996 to provide loan to small enterprises with growth potential. The objective of this program is to provide credit facilities and technical assistance to new and existing small businesses.

The characteristics of MELA loans are:

- Loan range: US\$ 345 (Tk. 20,000) – US\$ 3,448 (Tk. 200,000)
- Service Charge: 15%
- Repayment modality: Equal monthly instalments
- Loan duration: 12 months, 18 months and 24 months
- Twenty different business sectors are supported by MELA loan

By the end of 2002, a total amount of US\$ 48 million (Tk. 260 crore) was disbursed to 45,503 borrowers in 64 districts of Bangladesh with an average loan size of US\$ 1,077 (Tk. 62,484).

Employment and Income Generation (EIG) Program

BRAC has learned that besides lack of access to finance, the two major constraints that have prevented the poor from improving their lives are the absence of self-employment opportunities and lack of skills to sustain those activities. BRAC realised that if different employment opportunities were created, along with sufficient training and refreshers for capacity development, the poor could be linked to the mainstream economy which would ultimately bring them out of poverty.

Activities approved for BRAC sectoral lending and other support enterprises can be classified under the following broad categories.

• ***Poultry & Livestock Program***

Approximately 70% of the rural landless women are directly or indirectly involved in traditional poultry rearing activities. The Poultry and Livestock Program is composed of several components: poultry and livestock extension program, poultry farms and hatcheries, feed mills and feed analysis laboratories, bull station and the disease diagnosis laboratories. Till to date, 1.96 million people have been involved in this program.

The key persons under poultry and livestock extension program are i) Poultry and Livestock Extension Worker ii) Chick Rearer iii) Key Rearer iv) Cage Rearer v) Broiler Rearer vi) Egg Collector vii) Model Cow Rearer viii) Model Goat Rearer and ix) Artificial Inseminator.

• ***Fisheries***

The Fisheries Program, started in 1976, is now developed into one of the most promising and profitable EIG activities for rural women. The key components of the program are pond aquaculture, open

water fisheries management, and fish and prawn hatchery.

BRAC aims to promote pond aquaculture by rural women to provide them with an additional source of income and improve their nutrition level thereby improving socioeconomic condition of the participants. BRAC provides training, undertakes production and distribution of quality fish spawn and prawn post larvae, extends credit assistance, and technical and marketing support. Till to date 47,421 acres of water-body have been brought under fish culture and 234,412 farmers are involved in fisheries program.

- ***Social Forestry***

The social forestry program is being implemented since 1988 to make the people aware of the necessity of planting trees and to increase the number and

variety of trees not only to meet the basic needs such as timber, fuel and fruit but also to restore the ecological balance. The program components are horticulture nursery, grafting nursery and agro-forestry. One of the objectives of the program is to encourage people to plant trees throughout the country. At present there are 73,508 agro and social forestry farmers.

- ***Agriculture***

The agricultural extension activities can be broadly categorized into vegetable cultivation and crop diversification (rice, maize, wheat, cotton, sunflower). This program has been undertaken to increase the nutrition and income levels of the households by increasing agricultural production of VO members through technology transfer. Under this program VO members, who have less than 0.5 acres of land in each



area, receive training, technical support, inputs like HYV and hybrid seeds, fertilizers, and have access to BRAC's microfinance to obtain the resources for investing in farming. Interested small farmers, who have land between 0.5 and 3 acres, also receive training and technical support.

Crop diversification contributes to increased agricultural productivity. Besides maize and wheat, which are used for poultry feed, rice, cotton, onion, mustard and sunflower cultivation are also being undertaken. By December 2002, there were 157,280 vegetable growers bringing 67,114 acres of land under vegetable cultivation and 1,169.37 MT of seeds have been distributed.

- ***Sericulture***

Sericulture is a labour intensive agro-industry. Sericulture Program links the rural producers with urban markets. The main components of the program are: a) mulberry cultivation (roadside, homestead and bush), b) silkworm rearing, c) reeling and weaving, and d) marketing. Besides, there are other components of the sericulture program, which include silk Seed Production Centre and Sericulture Resource Centre (SRC). At present, BRAC is operating 8 Silk Seed Production Centres, 6 Sericulture Resource Centres, and 3 Reeling Centres.

The Sericulture Resource Centre provides practical training to the rearers on mulberry cultivation and silkworm rearing. In 2002, there were 7,407 silkworm rearers and 1.4 million Disease Free Laying (DFL) have been distributed.

Vegetable Export Program

Poor farmers require better skills and knowledge of modern agriculture practices. They also need assistance to obtain a fair price for their produce. BRAC Vegetable Export Program seeks to link the

poor Bangladeshi farmers with international markets to bridge the gap between the local producers and the international consumers, in addition to introduction of technical training and modern agricultural inputs. BRAC started this program in 1997-98 with particular focus on vegetables that have high demand in the European markets and could be grown in Bangladesh. In the first year, 27 tons of beans were exported successfully to England, France, Belgium and Holland and in 1999, 26 tons of fresh potatoes were exported to Singapore.

BRAC has exported 621 tons of fresh vegetables and 350 tons of potatoes in 2002 to the wholesalers and supermarkets in England, France, Germany, the Netherlands, Belgium and Italy in Europe, and the UAE, Bahrain, Singapore, Malaysia and Hong Kong in Asia. In addition to French beans, Broccoli and Green chilli, demand oriented new items have been selected with the total export target of 800 tons of fresh vegetables and 1000 tons of potatoes for the year 2003.

Rural Enterprise Project (REP)

As the scope of employment and income earning sectors are limited, new livelihood opportunities are essential for reducing rural poverty. Moreover, many traditional livelihoods are becoming marginal and new opportunities are opening up with growing urbanization and globalization. However, the poor may not be able to gain from these opportunities without support. This realization led BRAC to initiate the Rural Enterprise Project (REP), to encourage employment and income generation through entrepreneurship. The project is involved in innovating non-traditional activities and introducing them to the program participants. REP was formed in 1985 to find and test new opportunities for rural development. The primary objective was to experiment with various income generating enterprises that can be owned and managed by rural landless women.

One significant change that took place in REP was the inclusion of a new unit called Non-farm Enterprises Extension and Reinforcement (NEER) to intensify the non-farm job creation program. The objective is to create employment in the non-farm sector for rural women and BRAC School graduates to make them self-employed. The present women owned and run projects under NEER program are, i) Shuruchi (restaurant), ii) Shuponno (grocery shop), iii) Shucharu (laundry shop), iv) Shubesh (tailoring shop), v) Srijoni (carpentry workshop), vi) Apiculture and vii) other micro enterprises.

Till 2002, a total of 9,410 restaurants, 30,675 grocery stores, 5,468 laundries, 13,418 tailoring shops and 3,637 other micro enterprises were operated by women members throughout the country.

Program Support Enterprises (PSE)

Essential inputs such as poultry feed, day old chicks, silkworm eggs, post larvae and vegetable seeds must be supplied to group members if they are to continue expanding the program. As the inputs from the government and the local industry are not enough to meet the demand BRAC established a number of Program Support Enterprises to supply these inputs which include grainages for silkworm egg production, reeling centres for yarn production, prawn hatcheries for post larvae production, feed mills producing poultry and livestock feed, poultry farms for the production of day old chicks, nursery for seedlings and seed production centres for quality seed. Under this program, there are 6 poultry farms, 3 poultry feed mills, 2 seed processing plants, 15 grainages and reeling centres, 12 fish and prawn hatcheries, and 1 bull station for artificial insemination.

Income Generation for Vulnerable Group Development (IGVGD)

The Income Generation for Vulnerable Group Development (IGVGD) program covers the poorest

women who own no land, have little or no income, are widowed or divorced and with no able bodied male member in the family. The objective of the IGVGD program is to alleviate poverty of the hard core poor by providing long-term sustainable income and employment opportunities through food assistance, training and access to credit facilities.

Initiated in 1985, IGVGD is a collaborative program involving three partners: government of Bangladesh, World Food Program and BRAC to serve the ultra poor. Elected local government bodies at the lowest level are also involved with this program. The Vulnerable Group Development Program (VGD) cardholders receive a monthly ration of 30 kg of wheat for 24 months. BRAC provides various skill training to these women in different income generating activities, mainly in poultry, goat and cattle rearing and vegetable cultivation. After completion of the 24 months food support cycle they graduate into Economic Development Program to become its regular members. With skill training, VGD women become eligible for credit support where no collateral is required. The average size of the first loan is Tk. 2,500. During January 2001 to December 2002, 287,350 VGD cardholders received 206,892 MT of wheat, 258,500 cardholders received Skill Development Training and 184,796 cardholders received their first loan as BRAC VO members.

Challenging the Frontiers of Poverty Reduction—Targeting the Ultra Poor

“Challenging the Frontiers of Poverty Reduction—Targeting the Ultra Poor” (CFPR-TUP) is designed to offer the potential of a broad-based and multi-dimensional attack on poverty. The agenda is about pushing down its interventions by developing new instruments relevant to the livelihoods strategies of the ultra poor households. Five major components of TUP are: enterprise development training, asset transfer, social development, essential health care and action



research. BRAC plans to cover 70,000 ultra poor households under CFPR-TUP from 2002 to 2006. In the first year, 5,000 ultra poor households have been covered in three northern districts of Kurigram, Rangpur and Nilphamari. Participatory rural appraisal, social mapping, wealth ranking, questionnaire and individual verification were the methods used for selection of the ultra poor. After identifying them another survey was carried out to determine which household wanted which enterprise. During January to December 2002, a total of 1,597 women got involved in poultry, 884 women in goat rearing, 1,418 women in cow rearing, and others in vegetable growing, horticulture nursery, shoe factories, etc.

BRAC's Urban Program

Urban poverty and slums are closely linked. Considering the needs of slum dwellers, BRAC conducted a survey of urban slums in 1991 and found that a substantial number of slum children had no access to education. In 1992, BRAC opened urban schools and at the beginning of 1997 also started the urban credit program. BRAC works with concerned authorities like the City Corporations, the Health Department and Water and Sewerage Authority to provide safe water and sanitation for slum dwellers.

Many female workers in urban areas have little access to proper housing facilities. BRAC plans to construct a hostel for garment workers. It has also started

absorbing a number of retrenched garment workers into microfinance program with an average loan size of US\$ 86 (Tk. 5,000). As of December 2002, US\$ 6,035 (Tk. 3,50,000) were disbursed to 80 workers for tailoring, grocery, catering service, small trade, etc.

BRAC-Afghanistan

BRAC is now implementing a program for Integrated Development in Afghanistan in the field of education, health and income generation under the umbrella of BRAC-Afghanistan since June 2002. The goal of the program is to support the war-affected Afghan people. The components of this program are:

Education Program

BRAC's philosophy is to build the capacities of the war ravaged country related to infrastructure in education. The objectives are to support the government efforts to achieve Education for All, reduce mass illiteracy, contribute to basic education, increase access for girls to education, providing employment opportunities to women as para-professional teachers and involve communities in their own socioeconomic development. BRAC is providing an education relevant to their lives that gives them basic life skills and awareness of basic human rights. The Afghanistan national school curriculum supported by the interim government is taught. The four-year course is due to be covered in 3 years to adolescent girls of 11-15 years old. Till December 2002, 24 schools with 723 students were running in two provinces.

Health Program

The health status of the Afghans ranks among the worst in the world. There is not only limited access to health care facilities but there is also a lack of health knowledge, safe water supply and medicines. BRAC is

providing health care services firstly, through community based care using the community health volunteers and secondly, through facility/static based care. The important components of community based care are: health and nutrition, pregnancy related care, family planning, water and sanitation, basic curative care, TB control, etc. To improve maternal and child mortality rate, BRAC arranges mobile clinic in the covered areas once a month. At the mobile clinic a physician provides antenatal care (ANC) and postnatal care (PNC) to the pregnant women and also provides outpatient services for all other services and refers needy patient to the static level, i.e. BRAC Health Centres. The services at these centres include: basic curative care, pregnancy related care (ANC, PNC), family planning services, supply of essential drugs, health and nutrition education and Behaviour Change Communication through proper counseling. Till December 2002, two health clinics and two mobile clinics were established in two provinces.



BRAC-Afghanistan: At a Glance

(December 2002)

Districts	6
Provinces	3
Offices	8
Village Organization (VO)	163
Members of Village Organization	3,943
Microfinance Borrower	264
Loan disbursement (MF)	US\$ 20,303
Average loan size	US\$ 80
No. of enterprise loans	71
Loan disbursement for enterprise development	US\$ 39,650
Repayment rate	100%
Health Clinic	2
Non formal primary school	24
Students enrolled	727

Livelihood Program

BRAC's livelihood program covers two aspects of the credit program. One is microfinance for poor women and small enterprise loan for men.

BRAC's livelihood programme in Afghanistan started in June 2002. The goal is to involve poor women in income generating activities through providing credit provision and opportunity to save.

Small Enterprise Program

BRAC-Afghanistan has commenced Small Enterprise Program since July 2002 as it felt that there are immense scope to start or restart productive, manufacturing, trading or other types of business. These enterprises generate employment opportunities.

HEALTH

HEALTH



BRAC's present health program has evolved from a series of lessons learned over the years in providing basic health care services at grassroot level. Starting from a large scale Oral Therapy Extension Program (OTEP) to fight massive diarrhoeal deaths, it has gone through successive programs to meet the changing needs and demands of the people. Today BRAC is providing health care services to 31 million people. It is also catering to the needs of the nation by actively collaborating with the government in different national health programs. At present, BRAC's health intervention is a combination of preventive, curative and rehabilitative health services.

Essential Health Care (EHC)

The essential health care (EHC) package is delivered primarily through the Shastho Shebika (SS), a female community health volunteer. Shebikas are health cadre in the community and the frontline workforce in BRAC's health program. Shebikas do not get any salary but receive a compensation of average Tk. 300 per month for their work through referral fees and from service charges that they receive by promoting health commodities in the community. She is married, on average 35 years old and member of a VO. She receives 18 days training on health, nutrition and family planning issues. Each BRAC area office covers 12,000 households with a population of approximately 60,000. Forty SSs are responsible for serving the target population of each area office. Shabikas also provide assistance to the government workers to mobilize and organize satellite clinics, EPI centers and help distributing Vitamin A capsules. They also organize one issue based meeting each month to discuss topics related to health, nutrition and family planning in the community.

Components of EHC include water and sanitation, family planning, immunization, pregnancy related care, basic curative care, and TB.

- ***Water and Sanitation***

Safe water supply and household sanitation program emphasizes on development of awareness and capacity building at different levels. Shebika's role is to help generate demand for proper water and sanitation

facilities and ensure that these are met. There is a close co-ordination with the government and other supporting agencies to ensure effective implementation of this program. The program provides Tk. 15,000 as a revolving fund for each production centre to buy materials to produce slab ring latrines. A total of 130,912 slab latrines were installed in 2002.

- ***Family Planning***

During household visit the Shastho Shebika motivates women to use modern methods of contraception. She provides pills and condoms to the clients through doorstep service. For other temporary and permanent methods, she refers the clients to the government union and upazila health facilities. She also counsels and refers for side-effects, if necessary. A total of 395,055 couples received contraceptives in program areas in 2002.

- ***Immunization***

BRAC plays a big role in motivation and social mobilization for immunization. The Shebika disseminates the message about usefulness of immunization, information about vaccination centres (like date and place), and counseling for side-effects. A total of 239,321 under-one children were fully immunized and 283,759 pregnant women received TT vaccine in 2002.

- ***Pregnancy Related Care***

BRAC has been providing the community based pregnancy related care to rural women. This is done by



establishing a referral linkage with basic and comprehensive Emergency Obstetric Care (EOC). In 2002, 312,382 pregnant women received antenatal care and 199,979 women received postnatal care from BRAC antenatal care centers and static facilities.

- ***Basic Curative Services***

Illness is a major factor for 'income erosion' among the rural poor. About 60-70% of the common diseases could be treated at community level through basic curative services. The Shebika is responsible for diagnosis and treatment of ten common diseases; diarrhoea, dysentery, common cold, halmenthiasis, anaemia, ring worm, scabies, hyperacidity, angular stomatitis and preventive service for goitre.

- ***Nutrition***

In issue based meetings Shebikas discuss nutrition topics such as natural source of vitamin A, appropriate nutrition during pregnancy and lactation. They also motivate the community to cultivate vegetables and fruits in their homesteads. Each Shebika distributes 50 packets of different types of vegetable seeds twice a

year. Every pregnant woman receives iron and folic acid during antenatal care services. A total of 312,382 pregnant women received iron and folic acid in 2002.

- ***Tuberculosis Control***

During her household visit the Shebika identifies suspected persons with cough for more than 3 weeks and refers them for sputum examination. Identified patients are given Directly Observed Treatment Short courses (DOTS) by Shebikas. Patients come to the Shebikas' home every day for taking drugs during the intensive phase of the treatment. Afterwards patients receive drug from Shebika once a week. Patients are requested to deposit Tk.200 and sign a bond as a guarantee of treatment completion. Upon completion, Tk.125 is given to the Shebika and Tk.75 is refunded to the patient.

Facility based Services

- ***Shushastho (BRAC Health Centre)***

Shushastho (BRAC Health Centre) is a community-based fixed-point health facility located in rural Bangladesh. The Shushastho initiative was taken to

provide client focused quality services for the rural people through delivery of need-based essential services from a sustainable model of static health facility. This provides technical and clinical back-up to community-based health interventions by offering secondary level clinical services and establishes referral linkages with the government's district and higher level facilities for further care.

As of December 2002, 98 Shushasthos have been functioning in 92 upazilas. The Centres are equipped with outpatient, indoor and laboratory facilities, essential drugs and behavior change communication materials/equipment. Indoor services include safe delivery, MR and post-abortion care, clinical family planning methods, childhood illness (such as pneumonia, diarrhoea, etc.) and common medical emergencies including referrals.

In 2002, 3 Shushasthos were upgraded with basic and comprehensive emergency obstetric care (EOC) to ensure safe deliveries and manage complicated cases. A wide range of laboratory investigations were also incorporated. In 2002, a total of 440,404 patients received care from the Shushasthos and a total of 7,345 deliveries were done including 457 of cesarean sections in 3 upgraded Shushasthos.



- ***Brace and Limb Fitting Centre***

BRAC established a Limb and Brace Fitting Centre in July 2000 in collaboration with Santokba Durlabhai Memorial Hospital (SDMH) of Jaipur, India, to provide support to the physically disabled persons, mostly poor, who could be rehabilitated by using quality limbs and braces. A total of 623 patients received services from the centre and 397 patients were provided with various appliances in 2002. During this period, 45 poor patients were provided with limbs and braces by individual donors.

Government and BRAC Partnership Programs

- ***Nutrition Program***

Despite impressive recent gains, level of malnutrition in Bangladesh remains one of the highest in the world: 48% of under-five children are undernourished and 45% are stunted, nearly 45% women suffer from chronic energy deficiency; low birth weight incidence is estimated of 40%. Based on the lessons learned from a BRAC pilot program in Muktagacha (1991-till to date), BRAC in partnership with the government, is implementing the community-based nutrition program in 34 of the total 59 upazilas of the Bangladesh Integrated Nutrition Program / National Nutrition Program (BINP/NNP), targeting 1.7 million households of 8.7 million people. To ensure community acceptance among the variety of forums held, most effectively involved were 7,572 Nutrition Management Committees, 224,400 adolescent girls and 62,016 newly wed women. The 7,191 locally selected and trained female volunteers called Community Nutrition Promoters (CNP) supervised by female supervisors and facilitated by 9-11 members of the women's group represent the nucleus of the program. Each CNP is responsible for 300 households including keeping records of all vital information.



In 2002, the CNPs recorded 166,344 births (birth rate: 19/1000 population) and 28,301 deaths (death rate: 3.2/1000 population). The CNPs with the assistance of the women's group members mobilized 85% of the registered pregnant women to receive proper antenatal care services. The CNPs distributed micronutrient supplements in the form of iron and folic tablets to 1,428,000 pregnant women, 24,800 post-partum women and 612,600 newly-wed women. Vitamin A capsules were also distributed to post-partum women. The 86,292 weighing sessions were held in conjunction with the government immunization (EPI) and satellite clinics/antenatal care centers. The weighing of one million adolescent girls, 139,638 pregnant women and 736,943 under-two children, and food supplementation for the targeted malnourished demonstrated to the community that there is a simple way to ensure good nutritional status. In 2002, 20% children were born with low birth weight, 40% of the under-two children were of normal weight for age, and less than 1% were severely malnourished in the program area, which shows a positive trend in improving nutritional status of the target population.

- ***Tuberculosis Control***

Three hundred thousand new cases occur each year and 70,000 people die annually of tuberculosis in Bangladesh, making it one of the most critical public health concerns. In response to this emerging problem, BRAC initiated a pilot community based tuberculosis project in Manikganj upazila in 1984. Its two-fold purpose was: (1) to make tuberculosis diagnosis and treatment service available and accessible to the community; and (2) to encourage community involvement in the care of TB patients. Currently the program is being implemented in 126 upazilas in collaboration with the government which provides training, drugs, and laboratory supplies, and BRAC is responsible for implementing the program. BRAC plans to extend this approach to 283 upazilas in 42 districts in 2003. The main feature of the program is the use of the Shastho Shebika as a primary service provider for dissemination of information, identification of suspects, ensuring DOTS, follow-up of the patients and referring cases with complications. In 2002, 139,838 sputum examinations were done,

17,684 TB patients were diagnosed, and the cure rate of new sputum-positive cases was 91%.

- ***Immunization***

Since 1985, BRAC has been working in partnership with the government and the UNICEF to attain the goals of Expanded Program on Immunization (EPI). In 2002, BRAC played a significant role in community mobilization during the 10th National Immunization Days (NID) involving more than 100,000 volunteers and related BRAC staff. BRAC was also involved in observing Sub-National Immunization Day (SNID) in 39 districts with technical and financial assistance from WHO. BRAC provided orientation on NID to 59,765 headmasters and 58,945 religious leaders/Imams as part of the social mobilization activity in achieving the SNID/NID targets.

Pilot program and other Health Initiatives

- ***HIV/AIDS Program***

BRAC initiated HIV/AIDS program in 1999 in Mirzapur upazila of Tangail district as a pilot program. In September 2002, the HIV/AIDS program started in four districts to reduce further spread of HIV infection in the community. The program addresses awareness raising activities among the general population including education of couples, adolescent boys and girls, high-risk groups, and promotes use of condom. BRAC also provides treatment for STI/RTI and consumption loan to the brothel based sex workers to empower them for compliance to condom use. In 2002, base line information were collected from 1,250 high schools and senior madrasas, 6 brothels, 8 bus terminals, 8 truck terminals and 4 launch terminals. A total of 30 BRAC field staff were oriented/trained in HIV/AIDS.

- ***Malaria***

Malaria is one of the major diseases killing young children and pregnant women in Chittagong Hill Tracts (CHT) of Bangladesh. To combat the situation, BRAC initiated awareness raising activities of Malaria control together with EHC components in 1998. Activities on Early Diagnosis and Prompt Treatment (EDPT) started in 13 of 25 upazilas (sub-districts) in July 2002 in collaboration with the overnment. Staff and Shebikas were locally selected from different ethnic groups to work for their own community. Identified patients receive care at the door-step through outreach centers and home based care by Shebikas. A total of 1,050 uncomplicated and 44 treatment failure patients were treated between September and December 2002. Twenty-five patients were referred to district hospitals.

- ***Micro Health Insurance***

A major deterrent to the use of available health services are user fees. Though minimal the fees hinder many people from seeking assistance for health concerns. To promote the use of available health services, a health insurance scheme was launched in 2000 on a pilot basis, with a special focus on the poor and ultra poor. Premiums for the ultra-poor are covered by BRAC with others paying a minimal affordable amount. In collaboration with ILO, the project is currently being implemented in two upazilas for developing a model that can be replicated in other working areas.

- ***Community based Arsenic Mitigation Project***

BRAC, in partnership with the Department of Public Health Engineering (DPHE) of the government and the UNICEF, implemented a research project for community based arsenic mitigation since 1999. Initially starting in two upazilas it was expanded to



additional four upazilas in 2002. A total of 85,937 shallow, 378 deep hand set tubewells, and 14,989 irrigation wells were tested in 4 upazilas of these, 69 % shallow tubewells, 3.7% deep hand tubewells, and 70% irrigation wells were found contaminated.

- ***Early Childhood Development (ECD)***

Early Childhood Development (ECD) is a comprehensive approach to develop full cognitive, emotional, social and physical potentials of children from birth to five years. BRAC initiated the ECD program in collaboration with the government and UNICEF. The aim of this project is to support activities that contribute to empower caregivers to create a safe, secure and enabling environment which promotes the physical, emotional, cognitive and social development of a child from conception to five years. BRAC plans to reach a population of more than 4 million households by 2005. In 2002, 30 district and 30 union advocacy

workshops were conducted and 1,824 staff were oriented.

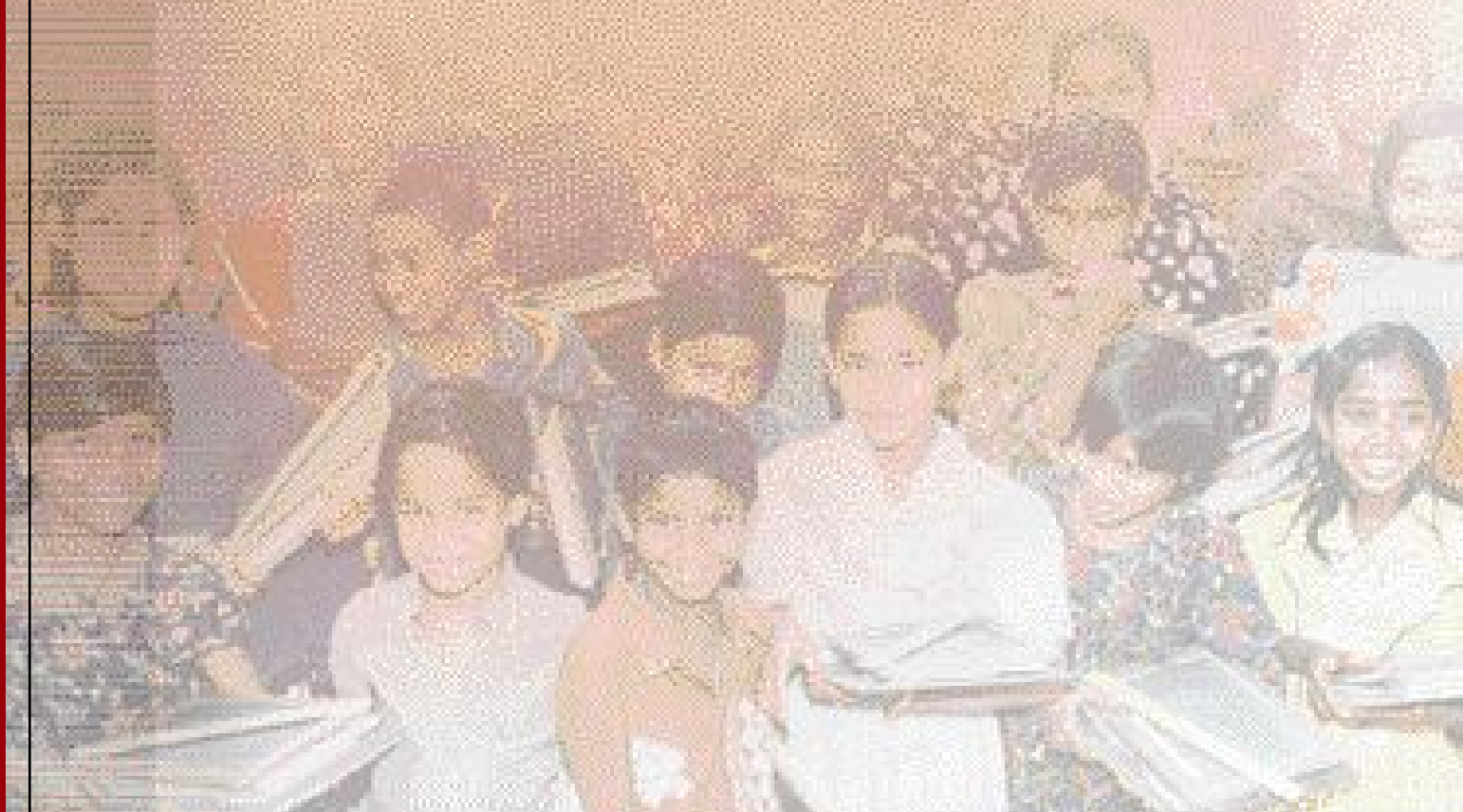
- ***Save Newborn Life***

Saving Newborn Life initiatives were started in 2002 in collaboration with Save the Children (USA) in two upazilas focusing on changing specific essential newborn care behavior that impact on neonatal health and survival.

- ***Public Private Partnership (PPP)***

The Public Private Partnership (PPP) was initiated for delivering ESP services in one upazila in March 2002 in collaboration with government and NICARE/ British Council. The purpose of this project is to strengthening capacity in community and government to facilitate development of ESP delivery networks, increase capacity of private sector to provide cost effective ESP services, and strengthen role of professional association and academic/regulatory bodies through PPP. In 2002, 6 community based organizations were formed to run 6 community based health schemes (2 union Health & Family Welfare centers and 4 community clinics).

EDUCATION



BRAC Education Program (BEP) has expanded far beyond its original Non-Formal Primary Education (NFPE) boundaries. New initiatives include Pre-primary, Non-Formal Primary, Continuing Education, Adolescent Development, Community Schools as well as the Educational Support Program that facilitate cooperation with other Bangladeshi NGOs.

Non Formal Primary Education (NFPE)

BRAC's NFPE program was initially designed for children aged 8-10 years (70% of whom are girls) and to progress them through Grades I-III over a three-year period.

Recently, the program has extended to provide education of a five year curriculum in four years. The teachers are mostly locally recruited married females, 72% of whom have passed Secondary School Examination and above. The teacher receives 114-120 days training from the BEP, which include initial 12-day basic teacher training, monthly refreshers, subject-based training etc. The NFPE schools from Grades I to III follow BRAC curriculum on the basis of NCTB competencies along with supplementary materials and teachers' guides. In Grades IV and V, the government curriculum is followed in addition to supplementary materials and teachers' guides developed by BEP (except for mathematics). In 2002, out of 34,000 schools there were 22,085 NFPE schools in operation, of which 20,869 were in the rural areas.

In 1992, BRAC replicated its NFPE program in urban settings to address the educational needs of poor urban children, particularly slum dwellers. An alternative curriculum for urban schools is being explored to make it more relevant to the students' life style. Texts were developed for Social Studies dealing with the urban context.

In 2002, there were 1,216 urban schools in Dhaka, Chittagong, Khulna, Rajshahi and Sylhet. The total enrollment of nearly 1.1 million children in BEP included nearly 7,612 students from ethnic minority background. The percentage of graduating students who have completed Grade V and progressed to secondary schools has gradually increased from 90.1% in 1999 to 94.3% in 2002.

Basic Education for Older Children (BEOC)

BEOC or Kishor Kishori (KK) schools were established in 1987 to cater for the children aged 11-14 years who previously had no access to education. The ratio of girls to boys was 70:30. The BEOC school design is similar to the NFPE but it differs in that it offers 3 years of basic education. There are 8,940 BEOC schools in operation. BEP, however, has decided to change the KK curriculum from 3-year basic education to primary education—covering grades I-V over the period of four years from 2004-2009.

Educational Support Program (ESP)

The ESP started in 1991 to expand NFPE coverage through partnership with small NGOs. Through this program BRAC provides technical and financial support to a number of small NGOs who, in turn, replicate the NFPE model in remote areas of the country where BRAC is less represented. ESP schools follow the BRAC approach including material and textbooks and offer 3 years of primary curriculum to the poorest children of the rural community. BRAC is



currently supporting 2,975 schools through 313 NGOs under this program. BEP is also using ESP's partnership capabilities to find and foster relationships with partner NGOs that have experience in working with the communities of the Chittagong Hill Tracts so that these communities may be supported in a most effective manner.

Post Primary Basic And Continuing Education Program (PACE)

Continuing Education and Post Primary Basic Education (i.e. secondary education) program have been integrated into one program renamed as Post Primary Basic And Continuing Education (PACE). The purpose is to continue the post literacy activities of BEP by promoting reading habits of rural citizens through an organized network of facilities. The components are Rural Libraries or Gonokendro Pathagars and Capacity Development of the Secondary

School Teachers in non-government secondary schools in rural areas.

Rural Library (Gonokendro Pathagar)

In 2002, there were 700 Rural Libraries which provided access to reading materials and a venue for socio-cultural activities. These were mostly set up in secondary school premises or at the centre of a Union near other important rural institutions and run by local communities with active support from BRAC. When the number of subscribers increases to 400 and the subscription level increases to US\$ 870 (Taka 50,000) with matching grant by BRAC, the community transforms the library into a self managed autonomous Trust registered with the relevant government department. A librarian, who receives a short training on library operation from BEP, is responsible for running the library. A library committee is formed comprising 11 members: 10 local and 1 BRAC staff (respective Team In-charge of NFPE).

Each library has a children's corner to focus on increasing the number of child readers. In 1997, BRAC also introduced a 'textbook lending program' for the children of poor families who cannot afford to buy full set of books. Under the program, a student is eligible to borrow a set of books for an academic year. The libraries also act as centres for socio-cultural activities, sports, and training on computer and other skills.

Mobile Libraries

Mobile libraries are a new initiative within the rural library system which aim to bring books to the doorstep of nearby villages. These involve an Assistant Librarian (preferably a married BRAC school graduate) employed on part-time basis who circulate in the villages with a list of books that can be borrowed. She would then arrange for a pick up and drop place in the villages where books are brought by rickshaw or cycle van. As of December 2002, about 35 Mobile Libraries were in operation.

IT related initiative for Gonokendro Pathagars

A pilot project was initiated in late 1999 in response to the community demand for basic IT literacy. Accordingly 60 Union Libraries are being equipped with computers to introduce a new tool in Information Technology, and one library was connected to internet in December 2002. So far 207 female out of 597 people were given computer training. Twenty libraries have been given 10 CDs on pilot basis on different subjects such as health, mathematics, english etc. and three softwares have been developed on health, basic computer knowledge and Adventures in Sundarban for the users' amusement. IT Fairs were also organized through the libraries in rural areas.

Training of the Secondary School Teachers

On a pilot basis BRAC started working with 22 non-government secondary schools in 2001 as 98% of the Secondary Schools are run by the community. The

intervention was necessitated because most students, particularly in the rural non-government secondary schools, do not achieve mastery in most of the topics of the new curriculum that was introduced in 1997. BRAC observed that even many teachers of secondary schools find it difficult to understand some of the topics of the new curriculum. To identify the problem areas an intensive need assessment exercise was done by BRAC. Under the assessment, BRAC organized several focus group discussions with subject (mathematics and english) teachers in almost all the 22 schools and organized workshops with the Head Teachers, Asst. Head teachers, and members of the School Management Committee (SMC). A separate workshop was also organized with the Head Masters of well-reputed schools in Dhaka. After a need assessment, BRAC started working on preparing training materials for the subject-based teachers. In the process of material development, BRAC also took assistance from qualified and experienced practicing teachers of secondary schools. Subject Specialists from Teachers Training Colleges also contributed to the process. So far, materials on 28 topics in mathematics with 5 pedagogical and 18 topics in english have been prepared. A total of 86 teachers of mathematics and english participated in the training which ranged from two to three weeks. Pre and post results showed significant improvement in terms of learnings.

Adolescent Development Program (ADP)

The Adolescent Peer Organized Network (APON) program that commenced in 25 regions in 1999, now renamed as Adolescent Development Program (ADP), culminated in using the Reading Centres or Kishori Kendros as the focal point for social activities.

Reading Centres

In 2002, there were over 7,896 Reading Centres, which were renamed as Kishori Kendros, in all the 40 BEP

regions. These were initially established to retain and develop reading habits of BEOC graduates, non-BRAC girls, and young rural housewives. These are also the sites for the activities of the APON program in addition to their primary function in Kishori Kendro. Each centre has 25-40 members and is kept open once a week mostly in the afternoon for 2-3 hours. They are provided with 200 books (drama, novels, fiction and books covering a range of areas such as food, nutrition, environment, common diseases, child care, hygiene, reproductive health, family planning, and legal rights), 3-4 magazines, and some indoor games items. Members are also encouraged to save Tk.2 per month on a voluntary basis to develop savings habit. The librarian is also a BRAC school graduate who works on part-time basis. Adolescent Management Committee, consisting of adolescent girls from the Adolescent Center/Kishori Kendro and adult women from the community (especially girls), facilitate operation of the library. Each Kishori Kendro operates for three years. On an average, six Kishori Kendros are supervised by a Kishori Supervisor.

APON for Girls

A tailor-made course has been designed for the adolescent girls, which is called APON for Girls which has been introduced in 40 regions. Girls of a similar age group learn through a peer-to-peer approach about a number of essential issues ranging from reproductive health to social matters like acid throwing/dowry, etc. The project is led and managed by the adolescent girls themselves. Eleven out of 40 regions are being funded by UNICEF which is named APON Kishori Obhijan. The course for both the APON for Girls and APON Kishori Obhijan was designed with duration of 18 months (5-month intensive course with a 13-month ideas sharing meetings). Twenty books have been developed. The majority of the course participants are BRAC graduates. Adolescent girls from the community are also encouraged to take part in the course.



APON for Boys

APON for Boys was initiated with the aim of creating better understanding about social and personal health issues for adolescent boys similar to that of APON for Girls and it would create an understanding about the issues for girls. The program is also aimed at developing their awareness of issues relevant to them and building their capacities. The curriculum designed for the boys has an emphasis on male puberty and reproductive health but also includes topics such as acid throwing, abuse, dowry and other culturally relevant issues. After developing a series of storybooks and number of key trainers, the group realized that there was an apparent need to educate and share these types of issues with the adolescent boys to complement the girls' program. The group has also concluded that the boys should learn about issues such as family planning, sexual abuse, AIDS and addiction. "APON Boys" for is now being activated in 5 regions.

Economic Life Skill Project

This project evolved from the APON Livelihood Training. BEP has found it a hard task to provide livelihood training on a large number as planned. One

of the reasons is that many employers are reluctant to hire part-time workers, but the girls need to continue their studies; and this comes along with the fact that due to the security issue adolescent girls cannot enter the job market as equally as their male counterparts. Another reason is that, although the girls may have the necessary skills training (e.g. in data entry), it is difficult for them to get a job without the proper educational qualifications (i.e. Higher Secondary). Thus, the livelihood component of the program has become a slower process. However, BEP is presently in the process of introducing a short course (similar to that of APON Girls) with the objective to enhance the basic business skills of these adolescent girls which is called Economic Life Skill Project.

Leadership Development

Through a leadership training program adolescent girls are trained with peer education skills in addition to skills that enable them to organize and facilitate groups. The aim is to develop these girls as community leaders and role models capable of undertaking community level campaigns and mobilizing adolescents to have a voice in their communities. The peer education skills are an essential component of this training as the girls who participate in the leadership training are then employed to run awareness-raising classes in their villages.

Government of Bangladesh Partnership Unit (GPU):

In July 2001, BEP formulated a GoB (Government of Bangladesh) Partnership Unit (GPU) in pursuance of closer collaboration with the government in the field of primary education. GPU has two components: PRIME (Primary Initiative in Mainstreaming Education) and 'Community Schools'. One of the major activities of PRIME is the pre-primary related activity. In one and half years, GPU has been operating in 30 upazilas of 16 districts.

PRIME

As a part of the GoB Partnership Unit PRIME started to work since July 2001. To bring quality education within the GoB primary schools, BEP is sharing its ideas and experiences through PRIME with the teachers, parents, SMC members, community people, and local and central level GoB officials. To facilitate sharing, PRIME has put emphasis on social mobilization in the afore-mentioned areas. The notable achievement of PRIME in 2002 is GoB approval for pre-primary. PRIME is being expanded on the basis of the demand from local government administration.

Pre-primary

BEP initiated Pre-primary education in 1997 as a pilot project. By December 2002, 1,189 pre-primary classes completed their cycle. Pre-primary classes cater to children aged between 5-6 years selected through a survey. The aim of the pre-primary schools is to prepare young children to enter into Class I of the formal system by sparking an interest in learning and by developing the social, physical, cognitive and language skills of the students. The program also focuses on the empowerment of the adolescent girls along with their education and also makes them aware of not getting married before age 18.

Community Schools

Community Schools program is one of the earliest collaborations with the government. These schools were set up through a partnership between the GoB and the selected communities between 1990-1996 under the General Education Project. The local community deposited Tk. 10,000 to the government, formed a School Management Committee and provided land of 33 decimal. In this manner the GoB established 3,263 community school buildings comprised of 2 to 4 rooms and bore the cost of school construction, furniture, study materials and teachers'

salaries. But GoB found the performance of many schools deteriorating because of the teachers' recruitment process, site selection and the inability of the local GoB officials. Looking at the reality, the GoB carried out a survey in 1998 and found that 194 of the 3,263 community schools were non-functional. The GoB offered these non-functioning schools to selected NGOs to operate. They were given two years to make the schools fully operational using their own funds. The number of schools allocated to BRAC was 73 and 45 of those were received during 1998-2002 (one school was destroyed by flood).

These schools operate from pre-primary to Class V. The GoB academic year was being followed and the government curriculum and textbooks were used in these schools. However, supplementary materials were being provided by BRAC. BRAC is using its own materials for the pre-primary class. At present, 6355 students are attending these schools from pre-primary class through Class V. The ratio of girls and boys is 51: 49.

In 2002, 7 rooms (one room for each Community School) have been constructed. In another five areas, five rooms for each school are under construction. The monthly parents meetings have been ensured in 2002.

Hard to Reach

The Hard to Reach (HTR) program was initiated by the Directorate of Non-Formal Education, Government of Bangladesh to set up schools for children aged 8-14 years who are involved in hazardous occupations and are "hard to reach". BRAC became involved in the program in 1997 and opened 285 schools in different urban areas in Dhaka, Chittagong, Rajshahi, Khulna, Sylhet and Barisal. In 2002 all the schools have completed their cycle.

Garment Child Laborers

In 1996 BRAC started schools for ex-garment child laborers to provide them with basic education. These children received US\$ 6 (Tk 300) as a monthly stipend to supplement their income. They used to earn US\$ 14-20 (Tk 700-1000) monthly by working in the garment factories.

The number of students in a classroom was limited to 15-20. Besides basic education, students also receive skill development training in different fields, like knitting, sewing, paramedics, carpentry, auto electronics, automobile repairing, etc. Since 1998, UNICEF and Bangladesh Garments Manufacturing Export Association (BGMEA) started an "Earn and Learn" initiative for students aged 14 years who wanted to work in garment factories after school hours. Under this initiative the children studied at schools from 7:00 a.m. to 10:00 a.m. and work in the factories from 11:00 a.m. to 6:30 p.m. A total of 256 schools have completed their cycles and the program is now closed.

Education for the Indigenous Children: A new initiative

Studies conducted by BRAC have shown that ethnic minorities in Bangladesh remain marginalized because of popular misconceptions about their culture and mores. In an attempt to bridge the gap in understanding between the mainstream Bengali culture and the ethnic minority communities, BEP has initiated a project to provide equal opportunity to access as well as involvement in developing curriculum materials for ethnic minority groups. There are currently over 7,600 children from ethnic minority background enrolled in 628 BRAC schools. There is a notable ethnic minority presence in 15 of the 32 regions where BEP operates. The groups exist primarily in four ethnic clusters in Mymensingh, Sreemongol, Rajshahi and Joypurhat. Most of the groups have and use their own mother tongue but also learn Bengali as a means of



communication with the majority population. As all BRAC schools use Bengali medium, the ethnic minority students are receiving their education in Bengali. BEP encourages local culture in the classroom by encouraging minority students to perform their dances, acting, songs and other things unique to their culture in schools not only where the majority of students are of ethnic minority background but also in areas where there is a smaller minority presence. In addition, BRAC encourages women of minority background to become teachers in BRAC schools particularly in these areas. To integrate ethnic culture into the curriculum and to promote children's interest in reading, BRAC is developing materials that portray ethnic minority culture and history through storybooks. Books on women's issues within ethnic societies and on successful persons from ethnic minorities background are being developed. The ethnic minority children themselves are preparing materials for books through workshop facilitated by BRAC. These books will be used in schools, adolescent reading centres and rural libraries in all regions where BEP operates.

Formal Schools

The 11 BRAC formal schools were opened in 1999 to illustrate how the good practice of the non-formal schools can work in a formal school setting and to pursue innovative ideas for supplementary materials and teaching methods. The schools use some BRAC textbooks and some government textbooks to achieve the government mandated competencies. Teachers also use supplementary materials such as posters and cards. The curriculum has been developed to improve children's creativity in both writing and practical activities. The teaching program consists of a 6-year schooling cycle ranging from pre-primary to Grade V.

SUPPORT PROGRAMS



BRAC Training Division

Training has been considered an integral part of BRAC programs since its inception. The BRAC Training Division (BTD) is responsible for capacity building and professional development of BRAC staff and the program participants through a wide range of training and exposure initiatives. It has established 12 residential Training and Resource Centres (TARC) and two BRAC Centre for Development Management (BCDM).

BRAC Training Division (BTD) has played a significant role in 2002 to develop some new need-based training curriculums/modules for BRAC main programs and took special initiative to upgrade its existing modules and materials. Enhancing the quality and skills of BRAC staff was a key priority of BTD. Diversified internal training initiatives such as micro-finance management, managing educational programs, NFPE schools teachers' capacity building, capacity building of the Adolescent Development Program staff, communication skills development, promotion of sales skills, etc. were arranged for the staff. In addition, this division organized and facilitated a number of external training courses and exposure visits to develop the capacity of the staff members of the Government of Bangladesh and other development organizations. The BTD has also been instrumental in creating a work force that believes in the vision and values of BRAC.

Training courses are grouped into two broad categories: Human Development and Management, and Occupational Skills Development. The respective programs also conduct their own occupational skills development courses. The Human development and management courses include:

- Microfinance Management
- Social Development
- Development Management Course
- Financial Management
- Organization Development
- Participatory Rural Appraisal
- Training of Trainers
- Project Proposal Writing
- Strategic Planning
- Gender Awareness and Analysis Course
- Sales Skills Promotion
- Supportive Supervisory Competency
- Health Program Operation Management
- NFPE School Teacher Training
- Adolescent Development Training

The BTD has continued the Gender Quality Action Learning (GQAL) program to improve gender relations among BRAC staff to ensure the quality of BRAC program by involving both male and female. BTD organized and facilitated a training course on Development and NGO Leadership for the NGO heads at different TARCs. A total of 481 (male 398, female 83) attended. Some collaborative programs have been undertaken with the government and non-government organizations. In collaboration with the Economic Relations Division (ERD) of the Ministry of Finance, Government of Bangladesh BTD organized 21 workshops with 621 participants for preparing Poverty Reduction Strategy Paper (PRSP). The division has also designed a training curriculum on Reproductive Health for UNFPA.

BTD designed and facilitated twelve batches training on Supportive Supervisory Competency Course and Health Program Operations Management Course for 28 NGOs funded by Bangladesh Population and Health Consortium (BPHC).



In 2002, a total of 55,261 persons were trained (29,117 male 26,144 female) by BTD. It may be mentioned that 11% of TARC capacity was used to organize and facilitate training course for other organizations. To orient the local administration about BRAC activities, BTD continues to organize quarterly BRAC Local Representative (BLR) workshop at different TARCs with about 500 BLRs.

Global Partnership

The Global Partnership (GP) for NGO Studies, Education and Training is a consortium of three educational centres: BRAC in Bangladesh, Organization of Rural Associations for Progress (ORAP) in Zimbabwe, and School for International Training (SIT) in the United States. The GP offers the comprehensive diploma and masters degree program especially designed to respond to the realities faced by the NGO leaders from grassroots to the global levels. Under the partnership, BRAC offers the postgraduate diploma in NGO Leadership and Management leading to Master's degree. ORAP Zenzele College is the venue for the Diploma in Grassroots Development and NGO Management lead to Bachelor's Degree. SIT in Vermont, the USA is the venue for Bachelor and Master's degrees offered by the GP. Since 1997, the

inception of the postgraduate diploma in NGO Leadership and Management at BRAC, 126 graduates from 24 countries have completed their postgraduate diploma at BRAC, and 42 of them have completed their Masters program from SIT. In 2002, a total of 21 students, including 6 female attended the diploma course.

Research and Evaluation Division (RED)

RED conducts multidisciplinary studies on a wide range of issues and subjects. These include poverty alleviation, socio-economic development, agriculture, nutrition and health, population, education, environment, gender and related fields. Although RED concentrates its activities on BRAC programs it also maintains strong linkages with the government organizations and a number of academic institutions at home and abroad. In the year 2002, RED undertook 23 collaborative projects with organizations like National Institutes of Health (USA), International Rice Research Institute (Philippines), Aberdeen University (UK), Cornell University (USA), Umeå University (Sweden), Micronutrient Initiative (Canada), UNICEF Bangladesh, Campaign for Popular Education, Bangladesh, International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), Population Council (USA), Karolinska Institute (Sweden), Imperial College (UK), and the government of Bangladesh.

RED's major work on Economic Development Program concentrated on Targeting the Ultra Poor to bring them into mainstream development program.

RED has been all along involved in the nationwide Education Watch since 1998 to examine the state of primary education in Bangladesh and improve its quality. During last four years several studies have been carried out under Education Watch on selected themes and issues.

Major health research during the year 2002 included studies on several issues: multiple micro-nutrient supplement in poor adolescent girls, pregnancy care, skilled attendance at birth for the poorest women, neonatal care, reproductive health, tuberculosis, HIV/AIDS and health equity.

BRAC continues to conduct action research on arsenic mitigation to find out alternative safe water devices in the affected areas. A new initiative is being tested to provide multi-purpose safe piped water in rural areas.

RED maintains an effective communication and dissemination network. It emphasizes the importance of effectively sharing research findings with its stakeholders, viz., BRAC management, donors, field managers, and also policy makers and researchers at home and abroad. Research findings are disseminated through reports, monographs, annual reports, books and book chapters, journal articles, vernacular research compendium, and short articles in newspapers and newsletters. The research findings are also disseminated through presentations in national and international conferences, seminars and workshops. Summaries of major findings and important activities are also posted on display boards placed at all the training venues of BRAC.

As of December 2002, RED has produced 900 research reports and papers that are available in bound volumes in Ayesha Abed Library at BRAC University. In 2002, RED initiated 100 studies, of which 52 have been completed. The abstracts of completed studies are available in the RED Annual Report and at the BRAC website. Many of these research findings were published in prestigious journals worldwide. Twenty-five original research papers were published in national and international journals during the year. Some of the international journals that published BRAC research include Public Health, Social Science and Medicine, International Journal of Educational Development, American Journal of Clinical Nutrition,

Bulletin of the WHO, and Journal of Health, and Population and Nutrition. BRAC researchers also contributed 11 book chapters and have produced a book during the year.

Currently, RED has 46 professionals and 35 project and support staff, 37% being female. In 2002, RED spent US\$ 0.63 million (Taka 3.69 crore), 43.26% of which came from BRAC's funds and the remaining procured from external collaborative research, consultancy and commissioned research projects.

Special Projects

Vocational Training

BRAC vocational training program, introduced in 2001, has brought 1,439 retrenched female garment workers under its pilot “Skills Training for Employment of Retrenched Garment Workers” project. This project was undertaken to help re-employment of female garment workers who suffered retrenchment due to closure of large number of garment factories caused by global economic recession and unfavorable trade policies internationally. Through the project the retrenched workers were provided skill training on candle making, bag making, small enterprise development, embroidery and stitching along with facilities of micro credit. Majority of the re-skilled workers have been able to get employed.

Road Safety

Bangladesh has one of the highest fatality rates in road accidents. More than 73 deaths per 10,000 registered motor vehicles occur every year. BRAC workers, who travel a lot by motor cycle and bicycle and its program participants who travel mainly on foot fall victims of road accidents. Road accident being such a major national and organizational issue, BRAC prompted to develop a “Community Road Safety Project”. Certain activities of the project like road safety training for staff, forging a network of NGOs committed to road



safety, road use awareness through popular theatre and developing road safety lessons in Non Formal Primary Education are being implemented. A research study has been conducted on Community Traffic Policing in partnership with Transport Research Laboratory of the UK with a view to conceptualizing the idea, improving the institutional framework and to identifying pilot program.

Human Rights and Advocacy Unit

The Human Rights and Advocacy unit was set up to support the needs of the ultra poor in particular and cover BRAC's initiatives in promoting socio-economic equity at the local, national and international level. In the last eight months some major activities as per plan were: two workshops to develop strategy and identify core advocacy issues, and three district level and four upazila level workshops. The unit conducted other social mobilization activities with partners and allies while developed communication materials.

Commercial Ventures

In the past few years BRAC has been involved in socially useful commercial ventures. As a major shareholder in the Delta BRAC Housing Corporation Limited, a public limited company and a non-banking financial institution approved by the Government, BRAC is promoting affordable home ownership by financing and contributing to the growth of the housing sector.

Realizing the need for keeping up with technological innovations, BRAC has involved itself in the field of information technology. BDMail Network Limited is an internet service provider company of BRAC. BRAC Information Technology Institute (BITI), was set up in 1999 to provide training and education to develop professionals in IT, is now a part of BRAC University.

Aarong

Aarong, meaning a village fair, was established in 1978 with objective to bring support services and marketing facilities within the reach of rural artisans, expand domestic markets and promote the export of traditional and non-traditional crafts. BRAC's job creation projects for rural women in Manikganj, Jamalpur, Sherpur, Jessore and Kushtia areas are based on traditional and non-traditional crafts skills. Nearly 30,000 artisans, mostly women, are involved in these groups. Many other independent cooperative groups or traditional family based artisans like potters, brass workers, jewellers, jute workers, basket weavers, handloom weavers, silk weavers and different artisans from all over the country come to Aarong for marketing and support services.

Over the years, Aarong has earned a name of itself as one of the finest rural crafts producers and market in Bangladesh. Experiences encourage BRAC to look forward to a continued partnership in development with the rural artisans of Bangladesh.

BRAC Bank

BRAC realized that there is a vast group of small and medium entrepreneurs in the country, who have no access to institutional credit. BRAC Bank, inaugurated on July 4, 2001, functions as a full-fledged commercial bank with a special focus on providing financial services to those Small and Medium Enterprises (SME). Till December 2002, BRAC Bank disbursed US\$ 5.73 million (Tk. 33.25 crore) through seven branches in Dhaka, Chittagong and Sylhet, and 79 Unit Offices all over Bangladesh.

BRAC University

BRAC University (BU) is another addition (April 2001) to the family of BRAC initiatives. Its mission is not only to impart knowledge but also to act as a centre

of excellence in knowledge creation through research that connects with practice. This, BRAC believes, is fundamental to creating professionals with the vision and ethics needed to foster national development that is inclusive, pro-poor and just. The goal of BU is to provide high quality broad-based education for students to equip them with the skill and knowledge necessary for taking on the challenges of development, both in Bangladesh and beyond. At present more than 1,000 students are studying in BU in Bachelor of Business Administration (BBA), Bachelor of Science (BS) in Computer Science, Bachelor of Social Science (BSS) in Economics, Bachelor of Arts (BA) in English and Bachelor of Architecture (B.Arch). Under the Postgraduate Programs BU is offering three courses: Master of Business Administration (MBA), Master of Development Studies (MDS) and Diploma in Computer Science.

G O V E R N A N C E

Governing Body

The Governing Body consists of nine members. Apart from the Chief Executive Officer, who is the Founder of BRAC, all other members of the Governing Body are non-executive. Distinguished individuals with high reputation in business, the professions and the media with pro-poor mindset have been elected to the Governing Body to bring their diverse skills and wise counsel in the governance of BRAC.

- Chairperson

Fazle Hasan Abed, Chief Executive Officer

- Members

Syed Humayun Kabir, *Chairman, Renata Limited*

Taherunnessa Abdullah, *Social Scientist, Gender Specialist*

Kazi Aminul Huque, *Partner, R R H & Co., Chartered Accountant*

A.S. Mahmud, *Businessman*

Salma Sobhan, *Bar-at-Law, Human Rights Campaigner*

Debapriya Bhattachariya, *Executive Director, Centre for Policy Dialogue*

Matiur Rahman, *Editor, Daily Prothom Alo*

Abdul-Muyeed Chowdhury, *(ex-officio), Executive Director, BRAC*

Four meetings of the Governing Body and two special meetings of the General Body were held in 2002

Audit Committee

- Chair

Dr. Salehuddin Ahmed, *Deputy Executive Director*

- Members

Aminul Alam, *Deputy Executive Director*

S. K. Sarkar, *Director, Monitoring and Internal Audit*

S. N. Kairy, *Finance Manager*

Meeting and Attendance

Four meetings of the Audit Committee were held in 2002. All members attended.

Delegation of Authority

Clear-cut policy regarding authority of each level of staff has been laid down. The staff are empowered to take decisions at Area, Regional and Programme level. Procedure manuals and policy documents contain organisational policies and procedures, which are open to all.

Internal Control

Internal Audit Department consists of 134 Audit Staff including 59 Audit Assistants. 100% audits are conducted where irregularities are detected in a course of normal internal audit which is on a sample basis. The frequency of audit in each of the Area Offices, Head Office and Commercial Projects is conducted at least once a year but two or more audits are conducted in a year at locations and programs that warrant a close watch. In 2002, internal audit was conducted in 2,137 locations and 145 review meetings were held where audit findings and responses to audit reports were discussed on the basis of which decisions for corrective measures were undertaken. A quarterly report was prepared on unsettled irregularities of the review meeting decisions and submitted to audit committee.

Accountability and Transparency

Audit reports for all projects, along with FD-4 certified by the Auditor, were submitted to the NGO Affairs Bureau, Prime Minister's Office.

BRAC has a Donors' Consortium for the Non-Formal Primary Education Program and Challenging the Frontiers of Poverty Reduction. The Consortium met twice in the year 2002 and discussed program activities and outcomes along with financial and audit reports. The Consortium donors are the European Commission, Department for International Development (U.K), DGIS (the Netherlands), CIDA (Canada), UNICEF, NOVIB (the Netherlands) , The Aga Khan Foundation-Canada and World Food Program (WFP).

Contribution of BRAC to Government Exchequer

Income Year	2001	2002
Income Tax deduction at source by third parties	9,337,884	7,134,967
Tax deduction at source from third parties	8,137,387	14,532,569
Income Tax deduction at source from staff salary	3,805,111	3,900,000
VAT collection from customers	28,371,027	29,438,408
Import Duty paid	17,757,658	27,020,447
TOTAL	67,409,067	82,026,391

M A N A G E M E N T

Fazle Hasan Abed, *Chief Executive Officer*

Faruq A. Choudhury, *Adviser*

Abdul-Muyeed Chowdhury, *Executive Director*

Dr. Salehuddin Ahmed, *Deputy Executive Director*

Aminul Alam, *Deputy Executive Director*

Dr. AMR Chowdhury, *Deputy Executive Director*

Muazzem Hasan, *Director BRAC Printers*

Sukhendra K. Sarkar, *Director Monitoring and Internal Audit*

M. Tajul Islam, *Director Public Affairs*

Dr. Golam Samdani Fakir, *Director Training Division*

Muhammad Sahool Afzal, *Director BRAC Information Technology Institute*

Syed Rezaul Karim, *Director BRAC Dairy and Food Project*

Ahmed Najmul Hussain, *Director Advocacy & Special Projects*

Faruque Ahmed, *Director Nutrition & Health Program*

A. M. Muazzam Husain, *Director Research & Evaluation Division*

Syeda Sarwat Abed, *Adviser Aarong*

Mehtabuddin Ahmed, *Head of Administration*

Shabbir Ahmed Chowdhury, *Program Head, Microfinance*

Erum Mariam, *Program Head, BRAC Education Program*

Dr. Safiqul Islam, *Program Head, Post Primary basic And Continuing Education*

S. N. Kairy, *Finance Manager*