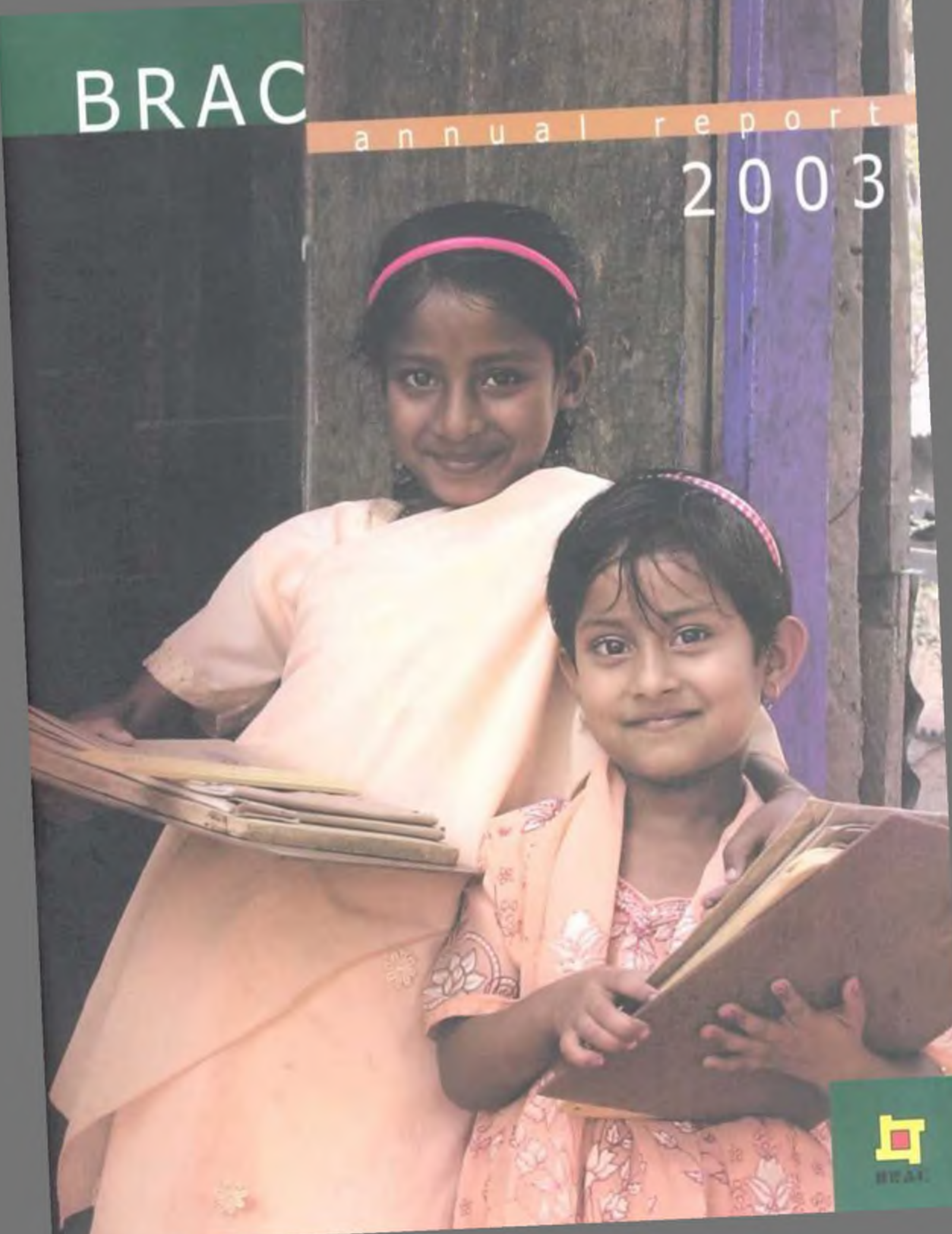
BRAC

annual report

2003



BRAC Annual Report 2003

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.

vision

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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 organisation 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 programmes socially, financially and environmentally sustainable, using new methods and improved technologies. As a part of its support to the programme participants and its financial sustainability, BRAC is also involved in various income generating enterprises.

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

Given that development is a complex process requiring a strong dedication to learning, sharing of knowledge and being responsive to the needs of the poor, BRAC places a strong emphasis on their organisational development, simultaneously engaging itself in the process of capacity building on a national scale to accelerate societal emancipation.

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

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

ACRONYMS

ADP	Adolescent Development Programme
AKF	Aga Khan Foundation
ARI	Acute Respiratory Infection
AO	Area Office
BCDM	BRAC Centre for Development Management
BESDP	BRAC Economic and Social development Programmeme
BEOC	Basic Education for Older Children
BEP	BRAC Education Programme
BRAC	Bangladesh Rural Advancement Committee (former name)
CEP	Continuing Education Programme
CFPR	Challenging the Frontiers of Poverty Reduction
CIDA	Canadian International Development Agency
DANIDA	Danish International Development Agency
DFID	Department of International Development
DGIS	The Netherlands Government
DNFE	Directorate of Non-Formal Education
EC	European Commission
EDP	Economic Development Programme
EHC	Essential Health Care
EIGP	Employment and Income Generating Programme
EPI	Expanded Programme on Immunization
ESP	Educational Support Programme
ESP	Essential Service Package
GEP	General Education Project
GoB	Government of Bangladesh
GP	Global Partnership
GQAL	Gender Quality Action Learning
HNPP	Health, Nutrition and Population Programme
HRLE	Human Rights and Legal Education
H&FPFP	Health &Family Planning Facilitation Project
IGVGD	Income Generation for Vulnerable Group Development
ILO	International Labour Organisation
MED	Micro-Enterprise Development
MELA	Micro-Enterprise Lending and Assistance
MISFA	Microfinance Investment and Support Facility for Afghanistan
MOU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development-Afghanistan
NCU	NGO Cooperation Unit
NEER	Non-farm Enterprise Extension Reinforcement
NFPE	Non-Formal Primary Education
NID	National Immunization Day
NGO	Non-Governmental Organisation
NORAD	The Norwegian Agency for Development Cooperation
NOVIB	The Netherlands Organisation for International Development Cooperation
NSV	Non-Scalpel Vasectomy
PACE	Post Primary Basic And Continuing Education Programme
PHC	Primary Health Care
PSE	Programme Support Enterprises
RDP	Rural Development Programme
RED	Research and Evaluation Division
REP	Rural Enterprise Project
RHDC	Reproductive Health and Disease Control
RLF	Revolving Loan Fund
RSDP	Rural Service Delivery Programme
RTI	Reproductive Tract Infection
SIDA	Swedish International Development Agency
SRC	Sericulture Research Centre
SS	Shastho Shebika (Health Care Worker)
SSC	Secondary School Certificate
STD	Sexually Transmitted Disease
TARC	Training and Resource Centre
TUP	Targeting the Ultra Poor
VGF	Vulnerable Group Feeding
VO	Village Organisation
VSC	Voluntary Surgical Contraception
WB	World Bank
WFP	World Food Programme


BANGLADESH
BRAC LOCATIONS
Regional Office
Area Office
Training and Resource Centre
BRAC
India
India
India
DHAKA
SUNDARBANS
Bay of Bengal
Myanmar

BRAC
At a Glance

As on December 31, 2003

Programme Coverage

Districts	64
Thanas (sub-districts)	480
Villages	65,020
Urban Slums	4,378
Population Covered	78 million

Development Programmes

Village Organisations	119,836
Membership - Total	4,065,957
- Female	4,052,582
- Male	13,375
Loan Disbursement - Year 2003	Tk.20,700 million US $ 353.85 million
Loan Disbursement - Cumulative	Tk. 107,310 million US $ 2,150 million
Loan Outstanding	Tk. 11,605 million LS $ 198 million
Repayment Rate	98.04%
Members' Savings	Tk. 6,286 million LS $ 107 million
Currently Enrolled in BRAC Schools	1.32 million
Graduated (till to date)	2.6 million
Legal Literacy - Courses Held	96,721
- Learners Completed	2,249,945
Population covered under Health Programme	31 million

Commercial Enterprises

Aarong Shops	8
Printing Press	1
Dairy & Food Project	1

Job Creation

Poultry	1,684,241
Livestock	424,815
Agriculture	830,545
Social Forestry	27,216
Fisheries	236,322
Sericulture	18,647
Horticulture	178,571
Agro-Forestry	48,255
Handicraft Producers	14,660
Small Enterprises	120,322
Small Traders	2,416,208
Total	5,999,802

Human Resources

Staff	28,879
School Teachers	33,674
Community Health Volunteers	24,335
Community Health Workers	2,211
Poultry Workers	53,479
Community Nutrition Workers	11,988
Nutrition Women Members	[illegible]

Programme Infrastructure

Regional Offices	108
Area Offices	164
Team Offices	1,193
Training Centre	18
Health Centres	55
Diagnostic Laboratories	58
Community Nutrition Promoters	10,878
Schools - Non-formal Primary	34,753
- Pre-primary	7,500
Libraries	916
School Reading Centres	8,102
Handicraft Production Centres	283
[illegible] and Brace Centre	1

Annual Expenditure

Year	Amount	Donor Contribution (%)
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. 9,258 million US $ 161 million	20%
2003	Tk. 11,471 million US $ 196 million	20%

Programme Support Enterprises

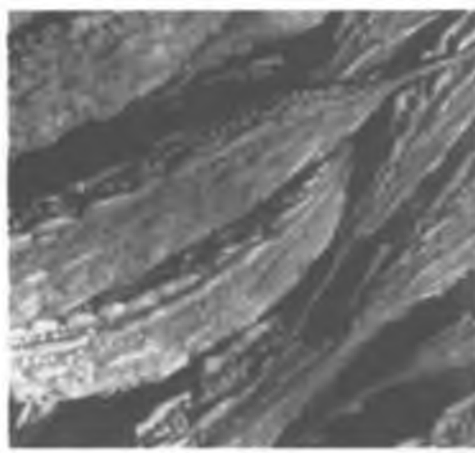
	No.	Capacity (annual)
Poultry Farms	6	13.5 million Chicks
Feed Mills	3	40,000 MT
Prawn Hatcheries	8	15 million post larvae
Fish Hatcheries	4	4,500 kg fish spawn
Seed Processing Centres	[illegible]	3,200 MT
Seed Production Farms	18	4,701 MT
Sericulture		
- Silk Reeling Centres	3	15 MT
- Grainages	12	2.0 million dfl
Nurseries	24	21.5 million
Bull Station	1	100,000 doses
Iodized Salt Industries	1	80,000 MT

Related Companies/Institutions

BRAC Industries Ltd.	Cold Storage
BRAC BD Mail Network Ltd.	Internet Service Provider
BRAC Services Ltd.	Hospitality
BRAC Concord Lands Ltd.	Land and Housing
Delta BRAC Housing Finance Corp.	Housing Finance
BRAC University	Tertiary Education
BRAC Bank	Small & Medium Enterprise Finance & Banking
BRAC Tea Companies	Tea Plantation & Production
Documenta TM Ltd.	Software Development

BRAC Afghanistan

Working Areas	44 District Offices under 12 Provinces
Community School and Studets	83 with 2,753 students
Accelerated Learning Project (ALP)	73,000 students
Fixed Health Clinics	10
Village Organisation	1,008 with 24,458 members
Loan Disbursement	US$ 1,551,331
National Solidarity Programme	9 Districts under 3 Provinces
Agriculture	8 Districts
Training & Resource Centre	1 in Kabul



BRAC TIMELINE : MAJOR EVENTS

1972	BRAC starts at Sulla (Sylhet) as a relief organisation
1973	Transition to a development organisation
1974	- Relief work among famine and flood victims of Rowmari, Kurigram started
	- 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 Organsations (VO)
	- BRAC Printers set up
1978	- Training and Resource Centre (TARC) set up
	- Aarong set up
	- Sericulture started
1979	- Outreach programme launched
	- Rural Credit and Training Program (RCTP)
	- Poultry Programme commenced
1980	Oral Therapy Extension Program (OTEP) launched
1983	Livestock Programme initiated
1985	- Non-formal Primary Education Programme (NFPE)
	- Rural Enterprise Project (REP) launched
	- Income Generation for Vulnerable Group Development (IGVGD) Programmme launched
1986	- Rural Development Programme (RDP) formed by merging Rural Credit and Training Programme (RCTP) and Outreach programme
	- Child Survival Programme (CSP) commenced
1988	Monitoring Department set up
1990	- Rural Development Programme (RDP) Phase II commenced
	- Sustainable Rural Credit Programme (RCP) commenced
	- Management Development Programme (MDP) set up
1991	Women's Health Development Programme (WHDP) commenced
1992	Centre for Development Management (CDM) established
1993	- Rural development Programme (RDP) Phase III commenced
	- Women's Advisory Committee (WAC) set up.
1994	- Non-formal Primary Education programme (NFPE) launched in African
1995	- Adult Literacy Centres opened
	- Gender Quality Action Learning (GQAL) and Gender Resource Centre (GRC) set up
1996	- Rural Development Program (RDP) IV commenced.
	- Micro-Enterprise Lending and Assistance (MELA) launched
	- BRAC BD Mail ltd Company launched
1997	- Urban Development Programme started
	- Delta BRAC Housing programme launched
1998	- BRAC Dairy and Food Project commissioned
	- Chittagong Hill Tracts Development Programme started
1999	BRAC Information Technology Institute launched
2001	- BRAC University launched
	- BRAC Bank Ltd. launched
2002	- Challenging the Frontiers of Poverty Reduction launched
	- BRAC-Afghanistan Programme commenced
	- Advocacy Unit set up
2003	- BRAC Tea Companies launched
	- Documenta TM Ltd. launched
	- Expansion of TB Programme coverage

BRAC, a national private development organisation, set up in 1972 by Mr. Fazle Hasan Abed, began as a relief organisation focused on resettling the refugees returning from India after the War of Independence in 1971. This task over, BRAC redirected its focus to 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 one of the world's largest national NGOs, diverse in its operations with over 28,000 regular staff and 34,000 part-time teachers, working in 61,924 villages in all 64 districts of Bangladesh. BRAC has progressed by learning from experience and through a responsive and inductive process. Adjusting its strategy to prevailing circumstances, it does not pursue any rigid development model. From the mid-70s to early 80s, our holistic and flexible approach to rural development became the internationally accepted standard. It has been called upon to assist countries in Africa, Asia, and most recently in war ravaged Afghanistan.

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 also to national production and development 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 programmes.

BRAC Economic Development Programme has so far organized over 4.07 million poor landless people, mostly women, into 119,836 Village Organisations (VOs), each having 30-40 members. These groups serve as forums where the poor can collectively address the principal structural impediments to their development, receive credit, and open savings accounts. 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's credit programme, initiated in 1976 has disbursed Taka 107,310 million (US$ 2150 million), with a recovery rate at 98.04%. The savings deposited with BRAC now stand at Taka 6,285 million (US$ 107 million). The average loan size is Taka 6,879 (US$ 117), where no collateral is required. BRAC organizes 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. BRAC continuously challenges itself to question its own assumptions, implicit and explicit, and reviews them in the light of unfolding reality and experiences.

Since January 2002, BRAC Economic Development Programme has been implementing its newest project, "Challenging the Frontiers of Poverty Reduction Targeting the Ultra Poor (CFPR-TUP)." This programme uses a specific set of criteria to identify those women who are in the very margins of society, and are too poor to take advantage of standard micro finance options. After identifying these ultra poor women, BRAC gives them income-earning assets, provides training in the women's chosen income generating activity, and offers education and health care services. Thus the ultra poor is nurtured to eventually merge into mainstream micro finance programmes. BRAC's ultra poor programme has already garnered international attention and is setting the standard for other development organisations to emulate.

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

In 1985, BRAC initiated the Non-Formal Primary Education (NFPE) Programme by setting up 22 one-room schools to provide basic education to the children of poor landless families. This programme has grown to 42,255 one-room schools providing education to 1.32

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 through BRAC's community based libraries, which give members access to a variety of reading materials. Adolescent Development Programme (ADP) trains adolescent BRAC Schools graduates, both girls and boys, in vocational skills, health awareness including reproductive health, and leadership. The BRAC school model has been adopted in a number of developing countries.

BRAC provides support to these three core areas of its activities through various support programmes. BRAC's Training Division is involved in all aspects of staff and VO member training, be it poultry rearing or developmental management. The Training Division has established sixteen residential Training and Resource Centres (TARC) and two BRAC Centres for Development Management (BCDM). To promote gender equity throughout the organisation and within the community BRAC serves, it has initiated a Gender Quality Action Learning (GQAL) programme. Through its Global Partnership Programme, BRAC offers a post-graduate diploma in "NGO Leadership and Management" leading to a masters degree.

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

To link the poor rural producers with the expanding urban markets, BRAC has undertaken some commercial projects, such as Aarong (retail handicraft chain stores), which links artisans with the market. Such ventures also serve to fund its core development programmes. 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, a Iodized Salt Factory, and a Bull Station to improve cattle breeds through artificial insemination are also among its programme support enterprises.

BRAC has set up a Tissue Culture Laboratory and two Seed Processing Plants, as well as a number of seed multiplicable farms to make new agricultural technology available to its members to improve agricultural productivity for the farming community.

The expenditure of BRAC in 2003 was Tk. 11,471 million (US$ 196 million). Donor contributions accounted for 20% of that amount. At the end of 2003, BRAC had 28,879 full-time staff and 33,674 part-time school teachers.

Other Major Initiatives

BRAC University

BRAC University was inaugurated in 2001 to foster national development by creating a centre 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. The new Institute of Education and Development, and the proposed School of Public Health underscore the university's commitment to creating national leaders in the field of development.

BRAC Bank

BRAC Bank is a full-service commercial bank focused on providing financial services to small and medium enterprises. It is rapidly expanding its coverage to provide services to SME clients throughout the nation.

BRAC Afghanistan

BRAC Afghanistan began in May 2002 when BRAC realized that its development innovations and experiences in Bangladesh could be shared with the people of Afghanistan. Recognizing BRAC's goodwill and impressed with its results in Bangladesh, the Government of Afghanistan invited BRAC to begin mobilizing Afghan communities and providing development services. BRAC Afghanistan now provides services in micro finance, health, education, income generation, and small enterprise development. The programme takes the best practices of BRAC in Bangladesh and tailors its initiatives according to the needs of the Afghan people. At the end of 2003, BRAC Afghanistan had 1,449 staff, of which 1,362 were Afghans.

BRAC Economic Development *programme*

BRAC Economic Development Programme provides the cornerstone for all of BRAC's development work. It uses a participatory, peer supported and multi-sectoral strategy to offer rural women the skills and opportunity to achieve sustainable improvement in their livelihoods, and attain dignity and self-reliance. This programme covers micro finance, institution building, income generating activities and programme support enterprises.

BRAC ECONOMIC DEVELOPMENT PROGRAMME

VILLAGE ORGANISATION: Linkage to the Poor

BRAC focuses on institution building to bring the rural poor into the mainstream of development. BRAC believes that a common platform created and owned by the poor themselves is a crucial prerequisite whereby the poor can make themselves count in the development process. The Village Organisation (VO) is an association of poor, landless people who come together with the help of BRAC to improve their socio-economic position.

The VO promotes a structured organisation of the rural poor with particular emphasis on women's participation. The main goal of the VO is to strengthen the capacity of the poor for sustainable development and enable the poor to participate in the national development process. The VO is also the link between rural people and BRAC. Service delivery, institution building, public sector mobilization, and wider social mobilization are the four key interrelated strategies of BRAC towards the social and economic development of the poor, especially women. The VO plays a central role and is often a starting point for all these strategies.

BRAC's core competency is the delivery of health, education, micro finance, and micro-enterprise services on a large scale to poor rural women. BRAC has developed and trained local women to deliver these services and organized local groups to receive the services. VOs are also meant to develop the social capital of BRAC members. The groups gradually begin to address various social issues in the locality such as child marriage, polygamy, illegal divorce and domestic violence.

BRAC's micro finance staff meet VOs once a week to discuss and facilitate credit operations. The social development staff and health staff meet VO members twice a month and once a month accordingly to discuss various socio-economic, legal and health issues.

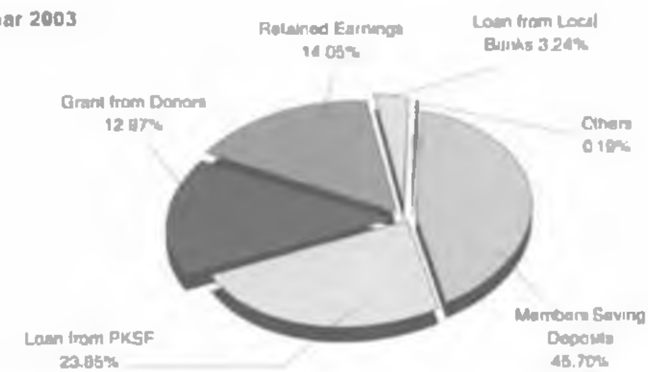
MICRO FINANCE : Giant Steps Against Poverty

Bangladesh is characterized by high levels of poverty accompanied by low productivity. Because the poor cannot provide collateral and typically deal in small denominations of money, they are denied access to the formal banking system, and are thus deprived of the facilities to borrow, save and invest in productive activities. In addition, moneylenders from the informal credit markets charge very high interest rates restricting poor people's access to credit earnings. Making credit universally available is therefore an essential strategy in reducing income poverty.

Launched in 1974, BRAC's Micro finance Programme aims to:

- Make credit available to poor women, especially in rural areas.
- Provide credit at a reasonable price.
- Involve poor women in income generating activities through credit provision.
- Promote the economic development of the country by increasing the income level of the rural poor.
- Operate self-sustaining credit activities.

Financing of RFL : Year 2003



Source	2003
Members Saving Deposits	45.70
Loan from PKSF	23.85
Grant from Donors	12.07
Retained Earnings	14.05
Loan from Local Banks	3.24
Others	0.19
Total RLF (%)	100

Poverty Group	BRAC Programme	Definition of Target Group	Terms & Conditions/ Mandatory Prerequisites *	Product Details
Extreme Poor	IGVGD	IGVGD members are female heads of household owning no more than 15 decimals of land. Women who are divorced, separated, or have a disabled husband, aged between 18-49 years	To be eligible for an IGVGD loan: • one must be a BRAC VO member • Members must save with BRAC in order to be eligible for a loan	• Starting loan size is approximately Taka 1000 (US$ 20) • Service charge 15% flat • Repayment through 46 equal weekly installments over a period of one year
	CFPR/ TUP	• Dependence upon female domestic work and begging • Owing less than 10 decimals of land • No adult active male member in the household	• There should be at least one adult, active woman member in the household capable of getting involved in an income generating activity	• Asset transfer and subsistence allowance • Employment and Enterprise development training • Social development support • Essential health care support • After completion of 2 years under CFPR, group members can attain IGVGD loan products
Moderate Poor	DABI (Poverty Alleviation)	DABI members are those who own less than one acre of land (including homestead), live in slums, and sell their manual labor to earn their living	To be eligible for a DABI loan: • one must be a BRAC VO member • Members must save with BRAC regularly	• Loan range between Taka 4,000-15,000 (US$ 50-220) • Service charge 15% flat • Loans are repayable over a period of one year
Vulnerable non-poor	UNNOTI (Economic Development Programme)	Those who have more than one acre of land and are involved in farm and non-farm enterprises	UNNOTI borrowers: • save regularly • attend regularly in weekly meetings	• Loan sizes range between Taka 10,000-30,000 (US$ 170-520) • Service charge15% flat • 6, 12 and 18 month loan period • equal monthly installments
	PROGOTI (MELA)	PROGOTI programme aims to provide larger loans to the BRAC and non-BRAC members micro entrepreneurs to develop and finance their own business	PROGOTI borrowers: • must have good entrepreneurial skills • must open a bank account in order to receive their loan	• Loan sizes range between Taka 30,000-300,000 (US$ 350-5000) • Service charge 15% flat • 12, 18 and 24 monthly loan products that must be repaid in equal monthly installments

* Potential borrowers must not have any loan with other development organisations / NGOs.

Credit operations are carried out through a Revolving Loan Fund (RLF). This RLF consists of Donors' funds, group savings and PKSF loans. Loans realized are credited to and form a part of the RLF for extending further credit. This process of lending, recovery, and further lending ensures that the credit facilities are eventually available to all VO members. A 2% loan loss reserve is kept in order to cover the risk of default loans. Frequent borrowing and payments allow the borrower to take higher loans.

Savings

Savings are a part of income not consumed immediately in favour of the future. An important part of the credit operation is the collection of savings. BRAC's experience shows that the existence of regular savings indicates a corresponding discipline regarding VO credit operations. From the member's point of view, savings represent an opportunity to earn interest, which they cannot enjoy from the formal market or regular financial institutions.

Own Savings: Minimum of Taka 5 (US 10 cents) every week

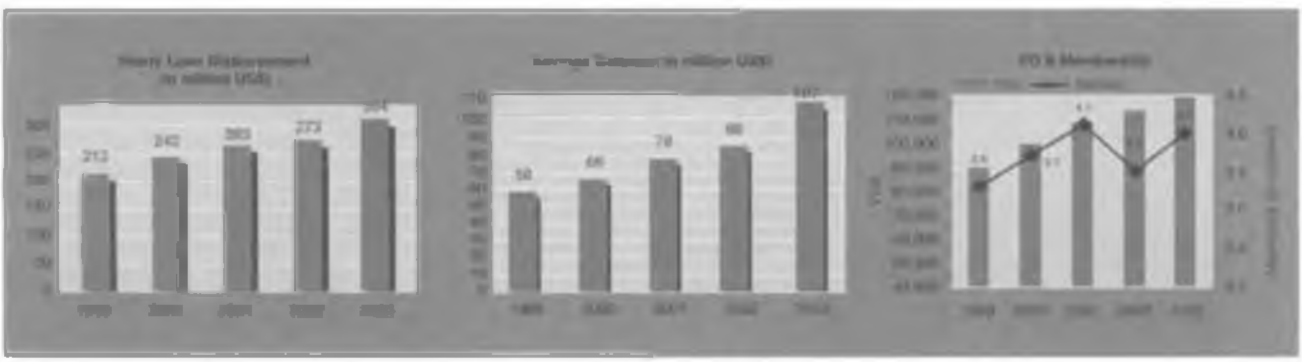
Compulsory Savings: When VO members take loans, it is mandatory that they deposit 5% of the loan amount into their savings account. The interest rate for the savings is 6%. Normally borrowers can withdraw 25% of the accumulated savings after five years and 50% after 10 years. However, there is a special provision for withdrawing 50% from the savings account at the time of unforeseen circumstances (such as natural calamities).

Current Account Savings: Current Account Savings that bear no interest but allow the group members to make unlimited withdrawals.

BRAC realizes that since the poor do not constitute a homogeneous group, using one type of micro finance will not be suitable for all categories of the poor. BRAC addresses this by offering financial services designed according to the needs of different people living at different levels of poverty. BRAC's Micro finance Programme has four principal segments, each targeting a different market segment.

Micro finance Coverage

The Micro finance Programme covers all 64 districts of Bangladesh with its 119,836 Village Organisations. Membership in the micro finance programmes reached 4.07 million in 2003, with 3.40 million borrowers for the micro finance programmes. BRAC disbursed Taka 20,700 million (US$ 353.84 million) in 2003, adding to a cumulative disbursement of Taka 107,310 million (US$ 2,150.38 million). Out of this Taka 5,365 million (US$ 94.77 million) has been disbursed to 41,633 borrowers under Micro Enterprise Lending and Assistance-MELA (Progoti Programme) and Taka 367 million (US$ 6.27 million) has been disbursed to 60,736 borrowers under Economic Development Programme (Unnoti Programme).



BRAC members' savings in 2003 stands at Taka 6,285 million (US$ 107.45 million).

Death Benefit

BRAC has offered a death benefit policy for its VO members since June 1990. The benefit minimizes the level of insecurity due to sudden death of an earning member of a family. The death benefit policy for VO members provides approximately US$ 90 to the dependants of the deceased and no premium is charged to the members. Outstanding loans of the deceased are written off. In order to be eligible for this benefit, the VO members must renew their membership every year. By the end of December 2003, Taka 26.5 million (US$ 0.45 million) was paid in death benefits.

New Initiatives

- **Micro finance for Acid Victims**

BRAC and Acid Survival Foundation (ASF) are jointly working to rehabilitate victims of acid attacks. BRAC Micro finance provides the acid victims with credit and savings opportunities, and assistance with income generating activities (IGA). By the end of 2003, 40 acid victims have enrolled in VO's and have received loans for IGA's.

- **Employment and Livelihood for Adolescents (ELA)**

Employment and Livelihood for Adolescents (ELA) is a programme for BEP (BRAC Education Programme) school graduates. ELA groups are comprised of 20-40 female members. So far, 83,989 members have enrolled in 3,432 ELA VO's. In 2003, Taka 158.20 million (US$ 2.7 million) was disbursed. The ELA members invested primarily in poultry, livestock, nursery, fisheries, and other small businesses.

- **Women Enterprises Development Programme (WEDP)**

BRAC started Women Enterprises Development Programme (WEDP) solely for women in urban areas. Managed by women staff only, this programme provides women entrepreneurs with access to funds to become not only self-sufficient, but job-providers. During 2003, loans of Taka 80.41 million (US$ 1.4 million) were disbursed to 1,843 women entrepreneurs.

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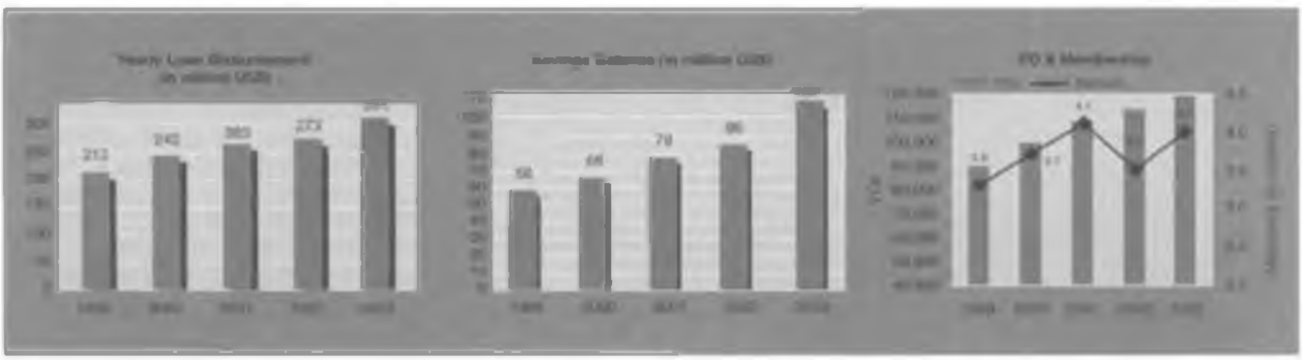


BRAC members' savings in 2003 stands at Taka 6,285 million (US$ 107.45 million).

Death Benefit

BRAC has offered a death benefit policy for its VO members since June 1990. The benefit minimizes the level of insecurity due to sudden death of an earning member of a family. The death benefit policy for VO members provides approximately US$ 90 to the dependants of the deceased and no premium is charged to the members. Outstanding loans of the deceased are written off. In order to be eligible for this benefit, the VO members must renew their membership every year. By the end of December 2003, Taka 26.5 million (US$ 0.45 million) was paid in death benefits.

New Initiatives

- **Micro finance for Acid Victims**

BRAC and Acid Survival Foundation (ASF) are jointly working to rehabilitate victims of acid attacks. BRAC Micro finance provides the acid victims with credit and savings opportunities, and assistance with income generating activities (IGA). By the end of 2003, 40 acid victims have enrolled in VO's and have received loans for IGA's.

- **Employment and Livelihood for Adolescents (ELA)**

Employment and Livelihood for Adolescents (ELA) is a programme for BEP (BRAC Education Programme) school graduates. ELA groups are comprised of 20-40 female members. So far, 83,989 members have enrolled in 3,432 ELA VO's. In 2003, Taka 158.20 million (US$ 2.7 million) was disbursed. The ELA members invested primarily in poultry, livestock, nursery, fisheries, and other small businesses.

- **Women Enterprises Development Programme (WEDP)**

BRAC started Women Enterprises Development Programme (WEDP) solely for women in urban areas. Managed by women staff only, this programme provides women entrepreneurs with access to funds to become not only self-sufficient, but job-providers. During 2003, loans of Taka 80.41 million (US$ 1.4 million) were disbursed to 1,843 women entrepreneurs.

EMPLOYMENT AND INCOME GENERATION PROGRAMME: Strengthen the Possibilities

While BRAC believes that micro-financial services are necessary to help break the cycle of poverty, it places equal importance on micro-enterprise development services to maximize the return obtained by the poor. Unlike standard business development programmes, which offer some mix of generic training and marketing services, BRAC has developed an integrated sector-specific approach to enterprise development for the poor. BRAC has identified six sectors in which large numbers of low-income women can be productively engaged at or near their homes: poultry, fishery, livestock, sericulture, agriculture, and agro forestry. For each of these sectors, BRAC has developed an integrated set of services, including training in improved techniques, provision of improved breeds and technologies, on-going supply of technical assistance and inputs, monitoring and problem-solving as needed, and marketing of finished goods.

Poultry and Livestock

In Bangladesh approximately 70% of landless rural women are directly or indirectly involved in poultry rearing activities. BRAC started its livestock programme in 1983 to protect poultry & livestock from disease by developing skilled village level para-veterinarians, improving local breeds, and providing credit, training and appropriate technical support. The Government has taken up BRAC's livestock development model for widespread implementation. The objectives of the poultry-livestock programme are to create employment opportunities and to increase the beneficiaries' income and nutritional status within a short period of time. Poultry and livestock programme of BRAC is one of the largest income generating activities and is composed of: poultry and livestock extension programme, poultry farm and hatcheries, feed mills and feed analysis laboratories, bull station, poultry disease diagnosis lab, broiler rearing farm, and broiler processing and marketing. The primary professions of the poultry and livestock extension programme are i) Poultry and livestock extension workers ii) Chick rearers iii) Key rearers iv) Cage rearers v) Broiler rearers vi) Egg collectors vii) Model cow rearers viii) Model goat rearers and ix) Artificial inseminators. The poultry and livestock extension workers are responsible for providing technical services to the rearers. To date, 2.11 million people have been involved in this programme.

Fisheries

BRAC fisheries programme started in 1976 with plans to introduce it as an EIG activity, and to contribute to the protein intake level of the rural poor. The programme has now developed into one of the most promising and profitable EIG activities for rural women because of its high return, low time commitment, and requisite support provided by BRAC. The key components of the programme are: Pond Aquaculture Extension, Fish and Fresh Water, Prawn Hatchery, Brood development, Community Based Fisheries Management Phase II and Fourth Fisheries Project.

BRAC decided to promote pond aquaculture to rural women as a means of providing them with an additional source of income and improving their nutritional status. Under this component, participants stock different species of fish and prawn, and raise them to a marketable size. The fisheries programme works with extension approaches to gradually establish extension networks from the local communities to wider areas. Fish Extension Workers are responsible for producing fingerlings through nursery activities, ensuring essential input supply, and providing day-to-day technical assistance to the fish farmers who are engaged in pond aquaculture. BRAC established nine Fish and Freshwater Hatcheries throughout Bangladesh to supply quality fish spawn and prawn post larvae (PL). BRAC also started a brood development programme to ensure quality brood fish for the hatcheries.

Community Based Fisheries Management (CBFM) and Fourth Fisheries Project (FFP) are being jointly implemented by the department of fisheries of GoB and BRAC. The objectives of these projects are to support sustainable and equitable growth generated from increased fish production and access of poor people to aquatic resources. The CBFM-2 project is being implemented in 14 Upazilas of 5 districts which cover 18,000 hectares of water body and involve 2000 beneficiaries. FFP is being implemented in 27 Upazilas of 18 districts which cover 1,273 hectares of water body and involve 24,180 beneficiaries.

By the end of 2003, 49,172 acres of water body has been brought under fish culture and 236,322 farmers are involved in the aquaculture extension.

Social Forestry

BRAC's Social Forestry Programme, launched in 1988, uses a variety of activities to increase awareness about the necessity of planting trees in rural areas, create a sustainable supply of high quality forest and fruit seedlings, and reduce the adverse environmental effects of deforestation while creating income and employment opportunities for rural women. The objectives of the Social Forestry Programme are to alleviate poverty and improve the environment. BRAC aims to bring all available land in the rural areas (homestead, roadside, embankments, marginal fallow) under tree cover with the active participation of the rural poor. The key components of Social Forestry programme are: i) Village Nursery ii) BRAC Nursery iii) Seedling Distribution iv) Agroforestry v) Floriculture.

Village nurseries are operated by BRAC-organized group members and produce 5,000-10,000 seedlings annually. BRAC established 24 nurseries all over the country to produce quality seedlings to meet the local demand through asexual propagation. BRAC established a number of fruit orchards to increase the fruit production in the country. BRAC has also established Mother Tree Preservation Centres in five districts.

BRAC has launched agroforestry activity on degraded private and Government khas land. The purpose of the activity is to produce wood, fuel, fodder, food, fruit and vegetable from the same plot in which agricultural crops are mixed with trees so that income is maintained through the short, medium and long term.

BRAC has launched a Floriculture Project to produce flowers for the international market. The project is focused on production of a basket of cut flower varieties and cut green foliage. The varieties are: Orchid, Rose, Gerbera, Lily, Gypsophila, Carnation, Leather Leaf Fern and Philodendron. The participants have already started to sell these flowers in the local market. They are expecting to export the flowers soon. This sort of project could earn foreign exchange for the country if quality production is produced.

Agriculture Extension Programme

BRAC has undertaken an agricultural extension programme to increase the nutritional and income status of households by increasing the agricultural production of VO members through technology transfer. The VO members who have less than 0.5 acres of land receive training, technical support, inputs and access to BRAC's micro finance to invest in farming. BRAC's agricultural extension activities can be broadly categorized into two components: (i) Vegetable Cultivation (ii) Crop Diversification (rice, maize, wheat, potato, onion and sunflower cultivation).

Crop diversification contributes to increased agricultural productivity. Maize and wheat are used for poultry feed and as the number of commercial poultry farms in the country increase, the demand for maize and wheat is also increased. Rice, potato, onion, mustard and sunflower cultivation is also being undertaken and is profitable. In 2003, 162,919 new jobs have been created in the agriculture extension programme and 68,559 acres of land cultivated for vegetables.

Sericulture

Sericulture is a labour intensive agro-industry. It has the potential to link rural producers with urban markets, and provides an opportunity for the transfer of money from the urban rich to the rural poor. The main components of BRAC's programme are: a) sapling production, b) silkworm eggs production, c) mulberry cultivation (roadside, homestead and bush), d) silkworm rearing, e) raw silk production (reeling) and f) twisting and weaving. BRAC is operating 11 silk worm egg production centres (grainages), 6 sericulture resource centres (SRC), and 3 raw silk production centres.

The Sericulture Resource Centre provides practical training to rearers on mulberry cultivation and silkworm rearing. In 2003, there were 7,537 silkworm rearers and 1.41 million silkworm eggs (Disease Free Laying -DFL) were distributed.

PROGRAMME SUPPORT ENTERPRISES (PSE)

BRAC's programme support enterprises (PSE) provide essential inputs to various BRAC programmes and its group members. Since supply of inputs for different enterprises by the local industries and/or government are not of sufficient quantity/good quality. BRAC has established a number of support enterprises to supply these inputs. Timely supply of good quality inputs is a major factor that affects enterprise returns and their contribution towards poverty alleviation. BRAC's support enterprises link rural producers with growing urban markets by providing needed goods and services. BRAC's programme support enterprises are as follows.

Poultry Farm and Disease Diagnosis Lab: BRAC has established six poultry farms and hatcheries to produce good quality chicks. In 2003 these farms produced and distributed about 11 million day old chicks. To support BRAC poultry programme participants and other poultry rearers with services to detect various poultry disease and their treatment, BRAC set up one Poultry Disease Diagnostic Lab in June 1999.

Bull Station: BRAC has developed 400 artificial insemination (AI) workers to provide door to door AI services in the rural areas. To supply good quality semen to AI workers, BRAC has established a bull station at Mymensingh. 77,000 doses of semen were produced and distributed in 2003.

Feed Mill: The success of the poultry programme significantly depends on the availability of balanced feed. In response to increased demand for balanced feed, BRAC established three feed mills in Manikgonj, Nilphaman and Sreepur (Gazipur). The production capacity of these feed mills are 35,000 MT per year. In 1999 BRAC has set up one Feed Analysis Laboratory in Gazipur to determine the quality of feed. BRAC established 50 depots in different districts to distribute the poultry feeds to farmers through dealers. Feeds of BRAC are marketed under the name " Surma Poultry Feed".

Fish and Prawn Hatchery: Recognising the importance of quality fry/fingerling for successful aquaculture, in 1988 BRAC established its first fish hatchery in Gazipur. Over the years it has established nine hatcheries with an annual production capacity of 5000 kg fish spawn and 15 million PL in different corners of Bangladesh. At present three hatcheries in Gazipur, Bogra and Pabna produce both fish spawn and prawn PL. Five hatcheries in Jessore, Faridpur, Comilla, Barisal and Bagerhaat produce only prawn PL. Among these, Bagerhat is the largest prawn PL producer with an annual capacity of 5 million. Sreemongol hatchery covers 75 acres of area with an annual production capacity of 2,000 kg fish spawn. Considering the faster growth rate of male "tilapia" than female, BRAC started experimental trials of male tilapia fry production by sex reversal method and decided to set up a tilapia hatchery in Magura.

In 2003, BRAC fish and prawn hatcheries produced PL 12.5 million, spawn 4430 kg, fingerling 4.33 million and food fish/prawn 130.80 MT.

BRAC Nursery: In Bangladesh, both the timber and fruit trees are inadequate to meet the demand. It has only 6-7% of its total area under tree coverage. The availability of fruit is about 35gm per head per day, which is just half of the daily requirement. In order to meet the increasing demand for good quality seedlings BRAC initiated a nursery programme in 1995-1996 and established 24 nurseries producing seedlings of almost all kinds of fruit, timber and ornamental plants available in Bangladesh.

Seed Production, Processing, Marketing and Soil Testing: The shortage of high quality seeds is one of the major constraints in increasing the productivity of agricultural products in Bangladesh. Only 4.5% of the seeds available to the farmers is produced in controlled conditions to ensure high quality. A major portion of these seeds is produced without using any modern technology to ensure high yield and disease free varieties. BRAC used to purchase seeds from private companies at home and abroad and supplied this to the farmers in the rural areas. But problems like poor packaging, low quality, high price and distribution difficulties arose. Therefore, in 1996 BRAC started producing high quality seeds with the aim to provide these seeds to the farmers. So far the programme has produced a wide variety of certified high quality seeds. BRAC's first production was hybrid vegetable seed in 1996 followed by hybrid maize seeds, rice, onion seeds, pulse and oil crop seeds. At present BRAC has 2 seed processing centers with an annual capacity of 3,200 MT and 18 seed production farms with an annual capacity of 4,701 MT. BRAC has set up 50 depots in different parts of Bangladesh through which BRAC distributes different types of seeds to the farmers under the name "Sufala Seed"

Salt Production & Marketing: Using a market survey, BRAC recognized that there is a high demand for iodized salt. Based on this demand, BRAC has established its own iodized salt processing plant at Islampur, Cox's Bazar in 2001-2002. When the plant was established it was able to produce 900-1000MT/month of iodized salt. In 2003, two more industries were established, and the programme is now producing about 2000MT of salt per month. Considering the demand, BRAC is going to establish a refining iodized salt plant. BRAC Refining Iodized Salt plant will be set up at Rupganj, Narayanganj.

Vegetable Export

The main purpose of BRAC Vegetable Export Programme is to link poor farmers with international markets and bridge the gap between the local producer and international consumer. BRAC, in collaboration with HORTEX Foundation, started this programme in 1997-98 with particular focus on vegetables that have a high demand in the European markets and can be grown in Bangladesh. BRAC provides training and technical assistance to small farmers in production of some particular crops, and arranges necessary packaging and transportation to the wholesalers in Europe. In the first year French bean was introduced, and exported successfully to England, France, Belgium and Holland. It is now capable of exporting more than 100 tons of beans to markets in Singapore, Europe and the Middle East.

BRAC has exported 472 tons of fresh vegetables and 800 tons of potatoes in 2003 to the wholesalers and supermarkets in England, France, Germany, 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 like long beans, bitter gourd, okra, and perval have been introduced. With the increase in the volume of exports, BRAC has constructed a sophisticated vegetable packhouse in Tongi to ensure proper cool chain management of vegetables as well as to prepare various pre-packaging materials for supermarkets. In addition, BRAC is working to get EUREPGAP (European retail parties good agriculture practice) and BRC (British retailers consortium) certification to boost export to EU countries.

Rural Enterprise Project (REP)

Rural Enterprise Project (REP) was formed in 1985 to encourage employment and income generation through entrepreneurship. As rapid population growth of Bangladesh is narrowing the scope of employment and income earning sectors, new livelihoods are essential for reducing rural poverty. This programme has encouraged VO members to take non-traditional roles in creating and managing small enterprises like restaurants, grocery stores, tailoring, carpentry workshop, laundry, brickfields and handmade paper factory. Until 2003, 11,046 restaurants, 35,066 grocery stores, 6,818 laundries, 15,606 tailoring shops, and 3,817 other micro enterprises were operated by women members throughout the country.

Urban Programme

There is a close relationship between urban poverty and slums. In 1991 BRAC conducted a survey on urban slums and found that a substantial number of slum children had no access to education. Considering the need of urban slum people in 1992, BRAC opened urban schools in 1997 and also started the urban credit programme. 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 has started to construct a hostel for garment workers. It has also started absorbing a number of retrenched garment workers into its micro finance programme with an average loan size of US$ 86 (Tk. 5,000). As of December 2003, US$ 13.65 million (Tk. 798 million) was disbursed to 16,105,270 workers for tailoring, grocery catering service and small trade.

Challenging the Frontiers of Poverty Reduction

– Targeting the Ultra Poor –

Started in January 2002 "Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor" (CFPR-TUP) is designed to offer the potential for a broad-based and multidimensional attack on poverty. In 2003, the long standing Income Generation for Vulnerable Group Development (IGVGD) was incorporated into the CFPR programme. This programme is supported by DFID, EC, CIDA, WFP, NOVIB and BRAC.

Income Generation for Vulnerable Group Development (IGVGD)

The Income Generation for Vulnerable Group Development (IGVGD) programme covers the poorest women who own no land, have little or no income, are widowed, or divorced. The objective of the IGVGD programme 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.

IGVGD is a collaborative programme between Government of Bangladesh, World Food Programme and BRAC to serve the ultra poor. In 1985 BRAC approached the WFP for food assistance under its Vulnerable Group Feeding (VGF) programme to implement a new model for 750 VGF cardholders. These women were organised into groups and provided with skill development training in the areas of poultry, sericulture, embroidery, health, nutrition and functional literacy. In addition to training, BRAC provided a package of basic health care services and intensive follow-

up and supervision to the participants during the 24 months of WFP wheat transfers. The VGD cardholders receive a monthly ration of 30 kg of wheat per month for 24 months.

With skill training, VGD women become eligible for credit support with no collateral required. The average size of the first loan is Taka 2,500 (US$ 40). IGVGD is a two-year cycle programme, with new intake every cycle. The current VGD cycle is from January 2003-December 2004, and covers 268 upazilas in 43 districts. There are currently 324,470 VGD cardholders. Out of this number, BRAC will cover 292,200 women under the development programme. In 2003, 324,470 VGD cardholders received 116,809 MT of wheat, 139,922 cardholders received Skill Development Training, and 121,285 cardholders received their first loan as BRAC VO members.

Targeting the Ultra Poor (TUP)

TUP aims to push 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. This programme proposes the use of new instruments of intervention to address these two areas - pushing out and pushing down the frontiers in the poverty reduction agenda.

Targeting the Ultra poor – Pushing Down the frontiers of poverty reduction

This programme plans to reach 70,000 ultra poor households over five years. The programme participants will be women from ultra poor households. There are four linked components.

a. Employment and Enterprise Development Training - This component provides training and follow-up services tailored to the specific needs of the ultra poor. In addition to working with those selected for the special investment programme, the training is also extended to two other groups of the ultra poor involved through other institutional mechanisms - the next three cycles of the IGVGD programme and to poorer members of BRAC's Village Organisations who have not yet developed sustainable livelihoods. In 2003, 5000 specially targeted ultra poor members received enterprise development training in poultry, livestock, vegetable farming, horticulture, nursery, and non-farm activities.

b. A Special Investment Programme for the Ultra poor- This component involves asset transfer and stipend support to the ultra poor in geographically vulnerable areas. In 2003, 5000 women received assets to begin an enterprise.

c. Social Development Programme - This component involves individual and group work with the ultra poor in the programme, providing support and counselling on development of their livelihood strategies and in helping to cope with crises. 5000 women received support and counselling in 2003.

d. Health Care Services for the Ultra poor - This component provides specialised health care services and referral arrangements for the ultra poor. In 2003, 5000 members received the tailor made health services provided by the CFPR programme. The health services include social mobilization, health awareness, basic health care, pregnancy related care, family planning, immunization, tuberculosis control, vitamin A capsule distribution among children between the age of 1 and 5, and baby food distribution. Programme Organisers and Shebikas educate the ultra poor on health reated issues during informal weekly discussions.

Targeting Social Constraints – Pushing Out the frontiers of poverty reduction

This programme will operate in all fifty-four BRAC regions covering all districts of the country. There are two components:

a. Social Development Programme- This component provides support for the development of Ward associations and Union associations representative of the poor. It will provide guidance and support on organisational development and advocacy.

b. Health Care Services for the Poor- This component supports the Government's Health and Population Strategy through a rights-based approach of essential health care services and targets new priorities in the national health strategy, specifically partnership with Government in the tuberculosis programme and a new programme on HIV/AIDS. It is a part of BRAC's concern to be responsive to new, or re-emergent, issues in health care for the poor and to integrate its activities with other development partners.

Social Development *programme*

BRAC Social Development Programme promotes greater awareness of social, political and economic issues amongst its group members. Service delivery, institution building, public sector mobilization, and wider social mobilization are BRAC's key interrelated strategies for social development of the poor, especially women.

BRAC SOCIAL DEVELOPMENT PROGRAMME

Strengthening Women's Socio -Political Assets

BRAC's Social Development Programme aims to promote greater awareness of social, political and economic issues. The programme staff provide assistance to community members whose rights are being seriously infringed. BRAC believes that women must be aware of their legal rights to protect themselves from discrimination and exploitation, and be encouraged 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 should and can assist poor women obtain access to these services, either through legal aid clinics, by helping women report cases at the local police station, or when seeking medical care in the case of acid victims. This programme has been supported by DFID, CIDA, EC, NOVIB, WFP and BRAC.

Gram Shobha

VO members meet once a month to discuss social and economic issues that affect their day-to-day lives. Issues related to social injustice, health, education, discrimination or violence against women and other relevant topical issues are discussed. The main goal of these meetings is to create a bond of solidarity between the women in one VO and to ensure that the women, as well as BRAC staff, know what is happening in each other's lives.

Union Shomaj

In order to have a people's organisation capable of lobbying the Union Porishod and accessing distributed Government resources, BRAC has actively considered how best to promote the federation of the Polli Shomaj groups at the union level and eventually at the Upazila level. BRAC plans to set up 500 union associations on an experimental basis from 2003-2006. In this process, regions are selected where existing people's organisations, such as VOs and Polli Shomaj groups, are already very strong. The main objectives of the union associations are to increase the institutional strength of the poor by bringing together a larger number of the poor, to mobilise public resources available at the union level, to engage in advocacy and networking with government and other NGOs and to ensure participation in the union level Shalish (arbitration). In 2003, 112 Union Associations were established.

Polli Shomaj (PS)

The Polli Shomaj is a ward level organisation, made up of representatives from several Village Organisations and outside poor members. BRAC initiated this organisation in 1998, which was meant to complement the Government's initiative to set up local government bodies at the Ward level.

BRAC's federations are unique in that they have an all women membership

The main objective of Polli Shomaj is to give a political voice to poor women and therefore ensure that their interests are represented in local level bodies (government, or local groups such as bazaar, school or mosque committees). Polli Shomaj also mobilizes government resources such as Vulnerable Group Member Development (VGD) cards, old age pension cards, Khash land and ponds, roads and embankments

So far, Polli Shomaj 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 numbers in resolving social conflicts through local arbitration (Shalish), and playing an active role in lobbying the Union Porishod for various benefits (VGD cards, old age pension). In the 2002 Union Porishod election, 3,945 Shomaj members contested. Of this number 2,388 became Union Porishod members. One of the major achievements of the PS groups is the creation of a new cadre of women leaders among the poor. By providing them with various types of leadership training and exposure in different forums (in their own groups, in wider BRAC forums and in community forums), these women are becoming capable of providing leadership within their groups and in the community in general. Through December 2003, BRAC has developed 9,973 Polli Somaj

Capacity Development for Women Union Porishod Representatives

The Regional Technical Assistance (RETA) for Gender and Governance Issues in Local Government was designed and sponsored by the Asian Development Bank (ADB) to promote capacity development for the women Union Porishod representatives. It was piloted in Bangladesh, Nepal, and Pakistan, with BRAC implementing the Bangladesh programme over an 18-month period in 16 Upazillas and141 Union Porishods in 4 districts. The project primarily aimed to build the capacity of women leaders in local government to provide more efficient and transparent public service delivery. It sought to develop effective linkages among gender, poverty reduction and good governance in local Government.

As part of the resource mobilization component of the project, an inventory of common property resources such as khasland, pond, and water body, as well as a list of ferryghat and local markets was prepared. A comprehensive training programme has promoted capacity development for 445 elected women representatives. In addition, 145 male chairmen of the UPs were trained, and gender sensitization for 652 women UP members and male chairpersons was completed. Nearly half of the training cost was provided by BRAC

Sixteen Upazilla level women's forums for elected members of the UP were formed. The Upazilla Forum meeting provides women members with access to systemic information about poverty alleviation projects, sectoral projects, and social services in the entire Upazilla. Elected women members of the UP conduct monthly community meetings in their respective wards with poor women, grassroots women leaders, and extension staff from the sectoral agencies and safety net programmes

The findings of the RETA project suggest that capacity development of female representatives has improved their technical skills and awareness, and increased opportunities for poor women to access development programmes and legal justice. Overall, the project has deepened grassroots democracy and allowed the participatory process to strengthen local government, while ensuring that welfare programmes reach the poor who need their services

Popular Theatre

Theatre is a powerful tool for disseminating information. BRAC started its Popular Theatre programme in 1998 to bring to light various social and political issues that affect poor women in rural communities. Through the medium of plays, possible solutions to existing problems are suggested and at the same time this programme helps to break traditional gender roles and gender segregation by encouraging and allowing women to participate in theatre groups and get involved in public performance. The main objective of the programme is to develop popular theatre as a communication network, and as a catalyst of change in rural areas

163 drama groups have been formed by December 2003. 17,238 performances have been held, and an audience of an average of 500 people attended each of these performances. Each drama group has also performed various stories over the months, so 566 different stories have been dramatised

Local Community Leaders' Workshop

The Local Community Leaders (LCL) workshop is a one-day workshop held at the BRAC Area Office with representatives from the community. The participants include the current UP chairman, ex-chairmen, UP members, the local Quazi, Imam, teachers, journalists, local leaders, Ain Sahayota Kendro and influential people. The HRLE Shebika, the Polli Shomaj Chairperson, the PO (SD and HRLS), the Area Coordinator (AC) and the Area Manager also participate in this workshop. Trained facilitators lead these workshops. Issues discussed include an overview of the laws covered

through HRLE classes and ways to ensure the implementation of these laws within the local community. Existing social practices that go against the law and ways to change these are also discussed. The main objective of the workshop is to involve influential local community members in the process of changing existing social practices that go against the law. 7359 LCL workshops were held through the end of 2003.

Human Rights and Legal Services

The Human Rights and Legal Service (HRLS) Programme is a central component of BRAC's Social Development Programme. It was first introduced in 1986 to make women VO members aware of their basic rights as per the Bangladeshi Constitution. The main objectives of the programme are giving VO members access to information about law, demystifying the law through legal literacy classes, raising awareness about legal rights, and empowering the poor, especially women, both legally and socially by encouraging them to take legal action.

The modus operandi of the HRLS Programme is through a training course on 7 basic laws: Citizen's Rights Protection Law, Criminal Law, Muslim and Hindu Family Law, Muslim and Hindu Inheritance Law, and Land Law. In 2002, laws on Trafficking of Children and Women and Acid Throwing were also added. Until 2003, 96,721 HRLS courses were held for 2,249,945 learners.

The Legal Aid Clinics

BRAC is now running a legal aid programme with Ain O Shalish Kendra (ASK). The legal clinics are to help BRAC members resolve their conflicts either through local arbitration or through the formal legal system by providing them with legal advice and assistance. This programme was started in 1998.

In the last 5 years, the legal aid programme dealt with 21,749 complaints from both the VO and non-VO members. Most complaints are made about issues of dowry, maintenance, dower and maintenance, polygamy, divorce, hilla marriage, physical torture, land related matters, money related matters, rape, acid throwing, kidnapping, trafficking and fraud.

Through this legal intervention, BRAC has begun changing a traditional system of arbitration that discriminates against the poor and particularly against women. Instead of having decisions imposed upon them by traditional elites (mostly men) through the system of shalish (informal village courts), women can now participate in a process of arbitration facilitated by BRAC, which tries to enforce laws established to protect the rights of women. Although BRAC has no formal power to enforce the decisions taken during the process of arbitration, the people against whom complaints are made always know that a formal case could be brought against them if they do not comply with the informal arbitration.

When cases fail, BRAC forwards the complaints to ASK selected penal lawyers and they in turn take necessary action to file a regular case in the local district court. Since the start of the programme, 1720 cases have been filed in local district courts and referred to ASK. 433 of the court cases have been completed and out of this, 430 cases have been decided in favour of our clients.

BRAC Health programme

Throughout the past year, BRAC's health programme has continued to provide the same preventive, curative, and rehabilitative grassroots health services that have proved effective in the past. It has strengthened partnership programmes with Government in recognition that improvement in the health status of the population ultimately requires concerted state support. Building on the experience of past successes, the health programme has also responded to emerging national health problems and scaled up former pilot projects, including HIV/AIDS prevention and micro-health insurance. BRAC is currently serving more than 31 million people through its comprehensive and multi-dimensional health programme.

Essential Health Care (EHC)

The Essential Health Care (EHC) programme is a time-tested BRAC method of promoting preventative health habits, reproductive services, health education, and mobilization throughout Bangladesh. EHC also includes collaboration with the Government of Bangladesh to help implement national programmes, such as the tuberculosis, immunization, and sanitation programmes. EHC has been supported by DFID, EC, CIDA, NOVIB, WFP and BRAC.

Package components of EHC are delivered primarily through the efforts of a Shastho Shebika (SS), or female community health volunteer. She works directly with a community through door-to-door visits to provide information about water and sanitation, family planning, immunization, pregnancy related care, basic curative care, health and nutrition education, and tuberculosis control. Each Shebika is chosen from a Village Organisation and given 18 days of basic training, plus three days each for malaria and TB control. In addition to basic training, Shebikas receive a one-day refresher course each month to address problems, questions, and introduce new topics.

A Shebika is assigned to on average 300 households and usually visits about 15 homes per day, during which time she provides health education, sells essential health commodities, treats basic ailments, collects basic health information, and refers patients to health centers when necessary. Although Shebikas are not paid a salary, they do receive Tk. 500 to participate in a revolving fund that allows them to sell essential health products and earn a small income. The Shastho Shebikas also liaise with government workers to mobilize and organize satellite clinics and EPI centers, and to distribute vitamin A capsules.

Shastho Karmis (SK) are more comprehensively trained community health female paramedics that supervise the work of ten Shebikas, in addition to monitoring targeted households and providing pregnancy-related care. She also conducts four health education meetings in the community every month, and maintains coordination with government health and family planning workers at the community level.

• *Water and Sanitation*

BRAC emphasizes awareness of water and sanitation issues, and promotes community capacity development. The Shebika is instrumental in bringing these issues to a community's attention through flip charts, popular theatre, and workshops, and coordinating initiatives with the Government and other supporting agencies. The programme provides Taka 10,000-15,000 (US$ 170-255) in interest free loans to local entrepreneurs to manufacture slab latrines. In 2003 BRAC helped establish 100 slab ring production centers, with 180,275 slab latrines being installed. In BRAC areas, 76% of households are currently using safe water for day-to-day purposes.

BRAC is working closely with other NGOs and the government to achieve the goal of 100% national sanitation by 2010. BRAC is a member of the government's National Task Force on Sanitation, and a member of the City Corporation, Divisional, District, Sub-district, and Union WATSAN Committees.

• *Family Planning*

During household visits, Shebikas and Karmis promote the correct use of modern contraceptives, and distribute pills and condoms. They also refer clients to government union and upazila health facilities if other temporary or permanent methods of birth control are desired. Shebikas are always available for referral and consultation in case of side effects. In 2003, the contraceptive coverage rate in EHC programme areas was 56%.

• *Immunization*

BRAC has discovered that widespread immunization of infants and pregnant women is one of the most effective means of raising health standards and saving lives. At the grassroots level, Shebikas and Karmis disseminate immunization and vaccination centre information, mobilize community support, and offer counseling for any side effects. They also mobilize the community during National Immunization Days for polio eradication, and distribute Vitamin A capsules to children.

• *Pregnancy Related Care*

BRAC provides reproductive health services through community based antenatal and postnatal care. Shebikas identify all pregnant women and register them with the local Shastho Karmi. The Karmi then tracks the pregnancy, provides iron and folic acid tablets, and promotes breast-feeding. The mother is also advised to use a trained birth attendant during delivery, or refer to a hospital if complications arise. A referral linkage has been established to provide Emergency Obstetric Care (EOC) at local health centres. BRAC currently provides 54% of all pregnant women with antenatal care.

• *Basic Curative Services*

Since 60-70% of all common diseases can be treated at the community level through basic curative services, the Shastho Shebikas have been trained to successfully diagnose and treat basic health ailments found in the general population. Shebikas are able to refer individuals with more complicated conditions to the local public and private health facilities. The Shebikas' efforts ensure affordable and timely curative services, which are critical to avoiding financial catastrophe amongst the poor and vulnerable.

• *Tuberculosis*

The tuberculosis treatment programme has expanded since its introduction in 1984, and now covers 283 upazilas (sub-districts) in 42 districts, including the Chittagong Hill Tracts and five city corporations. The Shastho Shebika implements the programme through information dissemination, identification of suspect cases, administration of Directly Observed Treatment Short course (DOTS), patient follow-up, and referral. Treatment success of new patients in 2002 was 89.3%.

• *Essential Health Care for Specially Targeted Ultra-Poor*

BRAC has initiated health programmes in seven districts that are specifically designed to address the challenges of improving health outcomes among the poorest of the poor. Services include a health awareness campaign, provision of financial assistance for needed clinical care, and a health survey among ultra-poor households to determine the severe diseases that are afflicting these individuals. In addition to the normal Essential Health Care services, ultra-poor families receive regular visits by Programme Organizers, and access to free services and products. In the past two years, 10,000 ultra-poor households have been included in this programme. In 2003 in collaboration with Sight Savers, BRAC treated sight disabilities in the ultra poor areas of Nilphamari district. BRAC has completed 123 successful cataract operations.

Facility-Based Services

• *Shushasthos (BRAC Health Centre)*

Static health centers, or Shushasthos were opened in 1995 to serve as a back up to community-based health interventions. The Shushasthos aim to develop a financially and programmatically sustainable model in order to provide clinical services for complicated cases identified in the community. Additionally, the Shushasthos play a role in improving maternal health status by aiding deliveries in high-risk birthing situations. Shushasthos are equipped with outpatient and in-patient services, laboratory facilities, essential drugs, and behavior change communications materials and equipment. One upgraded center in each district handles more complex clinical scenarios and emergency obstetric care. There are currently 55 Shushasthos of which 7 are upgraded facilities in 14 districts of Bangladesh. Shushasthos are financed through BRAC funding.

In 2003, 366,571 patients received care from the Shushasthos. Out of this patient pool, 45% were Village Organisation members, 14% were other NGO members and 41% were non Village Organisation members. Cost recovery of Shushasthos is approximately 60%.

• *BRAC Limb and Brace Center*

BRAC Limb and Brace Fitting Center (BLBC) was established in 2000 to provide support to the physically disabled. The Center offers prosthetic and orthotic services, and a physiotherapy service was introduced in 2001. To operationalize and develop this project, BRAC has been working in cooperation with SDMH, a specialized pro-poor health services institution in Jaipur, India. Since 2001, the International Committee of the Red Cross (ICRC) has been providing artificial limbs and braces, as well as technical support and machinery. There are two satellite Limb and

Brace Fitting Centers in Chittagong and Rangpur. In 2003, 651 individuals used the services of BLBC, and 536 were provided with appliances. BLBC is financed by Joypur Limb Centre, UK.

Government and BRAC Partnership Programmes

• National Nutrition Programme

The National Nutrition Project (NNP) is a partnership between the Government and NGOs to reduce malnourishment, particularly among women and children. BRAC's primary role is to implement Area Based Community Nutrition (ABCN) activities in 53 of the 105 NNP sub-districts covering a population of 12 million. At the village level, the nutrition activities are being implemented through the community nutrition centres (CNCs), which are organized and supervised by the Community Nutrition Promoter (CNP). One Community Nutrition Organizer (CNO) works at the union level and supervises the activities of ten CNPs. A CNP has at a minimum an eighth grade education, is between 18 and 30 years old, and does not have more than two children. A CNP, with the assistance of a CNO and women's groups, monitors the nutritional status of children under two and pregnant and lactating women. She provides them with supplementary feeding, provides nutrition education to mothers, and promotes social mobilization around nutrition, health and social issues. Adolescent girls are targeted with nutrition monitoring, counseling, micronutrient supplementation and deworming. Newly weds are provided with nutrition monitoring and counseling. NNP is supported by GoB and WB.

The ABCN activities also consider household food security for the target population, which is maintained through the Nutrition Gardening (NG) and Poultry for Nutrition (PFN) programmes. Services are targeted specifically to poor women of reproductive age having land size up to 0.5 hectre. To implement NG programme, in each CNC area 12 target women known as nutrition garden women (NGW) are given Taka 125 (US$ 2.1) to establish their own nutrition garden. A nursery is set up for four CNCs where a village nursery owner (VNO) receives a credit of Taka 15,000 (US$ 258) to establish it. In PFN programme, selected target women receive poultry production cadre training, and a credit of Taka 1200-1500 (US$ 20-25) to participate in poultry production. They are assisted by a village woman trained in poultry vaccination, health care and hygiene to work as a poultry health supervisor (PHS), one for two to three villages. It is expected that the whole approach of ABCN activities will bring positive changes in nutritional behavior as well as the nutritional status of the population, particularly the poor.

• Tuberculosis Control Programme

BRAC's TB programme began in 1984 as a pilot programme in one upazila (Manikganj) covering 220,000 individuals. In 1994, BRAC joined in the implementation of the Government of Bangladesh's National TB Control Programme using the Directly Observed Treatment Short-Course (DOTS) strategy. The programme has expanded since its introduction, and now covers 283 upazilas in 42 districs, including Chittagong Hill Tracts and 5 city coorporations. This programme has been supported by DFID,CIDA, NOVIB, WFP and BRAC.

Shastho Shebikas play a critical role in the implementation of BRAC's TB programme. During her household visits the Shastho Shebika disseminates information regarding TB and identifies suspected patients who have had a cough for more than three weeks. These individuals are referred for sputum examination.

Treatment is given according to the national guidelines. Fixed Dose Combination (FDC) drugs are being used for treatment of TB. Those individuals with confirmed TB by sputum microscopy are given DOTS by the Shastho Shebikas, under the guidance of BRAC field level staff and a government or BRAC medical officer. Patients come to the Shebikas' homes every day or alternate day (depending upon national guidelines) to take the TB medications for the entire course of treatment.

An innovative component of BRAC's DOTS programme is that patients are requested to give a deposit of Taka 200 (US$ 3.50) at the start of treatment and to sign a bond with two witnesses as a guarantee of treatment completion. If a patient is unable to pay, in some cases other members of the community will help to pay, in other cases the sick individual will be given an exemption from the bond money. When treatment is completed, Taka 125 (US$ 2)is given to the Shebika for her service, and Taka 75 (US$ 1.2) is refunded to the patient.

In 2003, 167,420 suspected cases tested their sputum in 126 upazilas and Dhaka urban. 21,940 TB patients were diagnosed in 2003. Of them 17,255 were new sputum positive, 663 were sputum positive relapse, 3258 were sputum negative, and 764 were extra-pulmonary TB patients. Treatment success rate of new sputum positive patients diagnosed in 2002 (January-September) was 89.3%.

Pilot Programmes and Other Health Initiatives

▪ ***Public Private Partnership Programme***

The Public Private Partnership (PPP) programme is an experimental programme within the Ministry of Health and Family Welfare that seeks to improve access to quality essential health services. The programme seeks to combine healthcare provided through Community Health Schemes (CHS) with resources available from the public health sector and from the traditional and modern health sectors to create an integrated health scheme. BRAC has been working to develop an NGO approach in PPP, and concentrates its activities in health scheme development, community capacity building, utilization of its extensive health network, and ensuring better utilization of facilities. In 2003 16,549 individuals received ESP services, of which 960 were extremely poor. This programme is supported by the British Council.

▪ ***HIV/AIDS Programme***

BRAC's HIV/AIDS programme promotes mass awareness of the disease, provides condoms to high-risk groups, and performs syndromic management of STIs and RTIs in high-risk groups to reduce the risk of HIV infection. Programme Organizers, Shastho Shebikas, and Extension Workers (EW) are trained to offer information about HIV/AIDS to women and couples. Popular theatre is also used to raise awareness of the disease within a community. Adolescent boys and girls are targeted in BRAC's awareness campaign, both during secondary school and through the medium of BRAC Education Programme's community and adolescent libraries. BRAC offers information and distributes condoms to brothel-based sex workers, as well as transport workers and industrial laborers. Micro finance loans are also available to commercial sex workers to ensure financial stability and security, and empower them to demand condom usage. This programme is being implemented with BRAC funds.

▪ ***Malaria Control Programme***

BRAC's malaria programme works primarily in the Chittagong Hill Tracts through an education and information campaign, and early diagnosis and prompt treatment (EDPT). Shastho Shebikas and Shastho Karmis disseminate information during their household visits and community forums. Patients receiving treatment pay a contribution fee to the Shebikas who ensure drug intake. To ensure proper testing and treatment, four malaria outreach centers have been established in each sub-district. In 2003,

24,351 uncomplicated malaria cases and 1,792 treatment failure cases were treated, and 21 cases were referred. This program is funded by BRAC.

- **Community-Based Arsenic Mitigation Project**

BRAC's arsenic mitigation project seeks to raise community awareness, test tube well water for arsenic contamination, and implement safe water strategies. BRAC has developed five options to ensure safe drinking water. These include renovated dug wells, rain water harvesters, pond sand filters, deep hand tub wells, and rural pipe water supply systems. 1,567 safe water options have been distributed in four upazilas. This is a UNICEF supported programme.

- ***Saving Newborn Lives***

This programme works to improve neonatal health and survival in three rural sub-districts by promoting use of home based clean delivery practices, increasing referrals to health facilities for complicated pregnancies, increasing the number of newborns with complications who receive care at a health facility, and increasing the number of women receiving antenatal care (ANC) services. BRAC is using Behavior Change Communication in one sub-district, while direct service delivery is being used in the other two sub-districts to determine which approach performs better. In 2003 forty-two Essential Newborn Care Facilitators were trained on newborn care, and these individuals in turn trained the Shastho Shebikas, Shastho Karmis, and Traditional Birth Attendants. Save the Children is supporting the programme.

- ***Early Childhood Development***

The Early Childhood Development programme employs advocacy, research, family empowerment, and networking to increase awareness of important aspects of child development at all levels of society. Behavior Change Communication materials are used to improve workers' communication skills. A child-to-child intervention programme is operating in Sherpur and Bogra districts to teach adolescents the skills to handle young children. In 2003, 8,593 community leaders and 400 adolescents participated in union advocacy workshops and in the child-to-child approach training. In addition, 3,577 BRAC staff were informed about Early Childhood Development activities. UNICEF is supporting this programme.

- ***Micro-Health Insurance***

This programme increases the poor's access to affordable and quality health services, and empowers women as the entry point for their family's access to health care. This ILO funded programme offers voluntary enrollment to Village Organisations as well as non-VO members, with VO membership determining level of co-payment. Three packages are offered - a general package, pre-paid pregnancy related care package, and an equity package with free enrollment for the ultra-poor. At the conclusion of 2003, 2,685 families were enrolled in the micro-health insurance programme. Of these, 1,698 families were under the General Health package, 891 families were in the prepaid pregnancy related care package, and 96 were in the equity package.

BRAC Education programme

Since its inception in 1985, BRAC Education Programme (BEP) has expanded far beyond its original boundaries. The Non-Formal Primary Education (NFPE) project is continuing to grow and increase effectiveness. A host of new initiatives have also been introduced, and gradually moulded into full-fledged dynamic programmes such as the Adolescent Development Programme, Primary Initiatives in Mainstreaming Education (PRIME), Pre-primary Education, Community Schools, Continuing Education, and Post Primary Basic Education.

Consistent with last year, BEP activities continue to be divided into four key programmes: Non Formal Primary Education, Adolescent Development Programme (ADP), the Government of Bangladesh (GoB) Partnership Unit (GPU), and Post Primary Basic and Continuing Education (PACE). Within each programme there are a host of smaller projects. BEP has been supported by CIDA/AKF, DFID, EC, NOVIB, DGIS, UNICEF, NORAD and BRAC.

Non-Formal Primary Education (NFPE)

BRAC's NFPE programme was initially designed to progress children aged 8 to 10 years old through Grades I -III. The programme has now been extended to teach the curriculum of Bangladesh's standard five-year primary education within four years. BRAC has also been improving and extending education facilities for ethnic minorities and children with disabilities.

98% of NFPE teachers are locally recruited and married women, with 73.50% of them having passed the Secondary School Examination and above. All teachers receive 114 days of training from BEP, which includes 15-day basic teacher training, monthly refreshers, and subject based training. From Grades I to III, NFPE schools 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 BEP-developed supplementary materials and teachers' guides.

BEP has an Education Development Unit that develops all BRAC curriculum and teaching materials. It collects continuous feedback from teachers, students, parents, and trainers to ensure that all revisions are comprehensible and effective. Quality Assurance Specialists (QAS) are the key personnel of pedagogical management in the field. They assist in the development of new teacher training materials and books, and disseminate these to staff and teachers. BEP has been developing its own teachers' guides and student workbooks in all subjects covering all GOB competencies. BRAC has also developed and field-tested subject-based training modules for field staff and teachers. In addition, BRAC has instituted a new monitoring system, ensuring that NFPE schools remain child and teacher friendly, interesting, gender sensitive, and activity based.

The NFPE programme has seen some considerable developments this year. Previously, BRAC students were not permitted to participate in scholarship exams, as this provision was strictly confined to the formal primary students at the end of Grade V. This year the Government of Bangladesh approved regulations allowing BRAC Grade V students to compete with formal primary school students in scholarship exams.

Basic Education for Older Children (BEOC)

BEOC (or Kishor Kishori – KK) schools were established in 1987 to cater towards children 11-14 years old who previously had no access to education. There is a special emphasis on female education. The BEOC school design is similar to the NFPE, and from 2004 it also plans to offer grades I-V equivalent education in just four years of schooling. BEP is in the process of identifying additional areas of Bangladesh with low literacy rates that could benefit from BEOC schools.

Education for Indigenous Children (EIC)

BRAC's Education for Indigenous Children Unit has been working to provide culturally appropriate and innovative non-formal primary education to the indigenous communities of Bangladesh since 1999. In August and September 2003, with CIDA funding, BRAC opened 700 new schools for indigenous children in 14 BRAC regions in 55 upazilas. Since then another 218 schools have been opened for indigenous children with funding from the BEP donor consortium. These schools have adapted the NFPE model to suit the needs of ethnic minorities. A specialist in linguistics is helping BRAC to introduce instruction and curriculum materials in indigenous languages in these schools. As in all BRAC schools, the aim is to mainstream indigenous students into the government system. However, at this stage BRAC is investing much effort into determining indigenous students' needs and how best to address them. In recent years, BRAC has recruited and hired many new indigenous staff, including two core staff at the head office, six indigenous resource staff to gather information and create supplementary materials, 200 school supervisors, and 14,003 indigenous teachers. There are 18,802 (56.4% female) indigenous children studying in 700 schools. There are 928 NFPE Schools that also have indigenous children along with the Bengali children.

Education Support Programme (ESP) Schools

The ESP was started in 1991 to expand NFPE coverage through partnership with small NGOs. 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 materials and textbooks, and offer 3 years of education to the poorest children of the rural community. In 2003 the programme expanded with NORAD funding. BRAC is currently supporting 5,475 schools through 514 NGOs of which 1500 schools are NORAD funded. BRAC is also using ESP's partnership capabilities to find and foster relationships with NGOs that have experience working with the communities of the Chittagong Hill Tracts, so that they may be supported in a more effective manner.

Adolescent Development Programme (ADP)

The Adolescent Development Programme arose out of BRAC's BEOC school model. Originally, many of the adolescent girls who finished the three – year basic education programme in BEOC schools did not continue their schooling. In an effort to help them retain literacy, numeric, and life skills, BEP instituted Reading Centres, or Kishori Kendros. These centres contain reading materials, and are also a safe place for the girls to socialize. Recognizing that education and capacity development among males creates a safer environment for girls, the Adolescent Development Programme also focuses many of its activities on adolescent boys.

APON

Following the success of the Kishori Kendros as an informal meeting place and continuing education opportunity, BEP decided to initiate a tailor-made course called APON (Adolescent Peer Organised Network) which is five months long. This course is followed by a 13-month series of discussion sessions in which girls are encouraged to have discussions on experiences and queries on topics raised in the course. The programme facilitates peer-to-peer education and support on a number of issues ranging from reproductive health to social matters like early marriage, gender, acid attacks/dowry, inheritance law, sexual abuse, sexually transmitted diseases (STDs), etc. There has been a concentrated effort to include the more marginalized groups: ethnic minorities, adolescents with disabilities, out-of-school adolescents and married adolescents. A project on empowerment and protection of the rural women supervising BRAC Reading Centres, called Kishori Abhijan, was completed in December 2003.

With the success of APON for girls, BEP felt that it was important that boys also be given life skills courses to sensitise them to health and social issues. APON for boys uses the same peer education structure and concept as APON for girls, and deals with many of the same issues. The target group for this course is boys in grades IX and X. It has been decided that the course should be taught at the local high school, not at the Kishori Kendros.

APON is currently undergoing revision based on research evaluation results and input from the adolescent girls and boys. From August 2003, the programme has also initiated parental discussion sessions on a pilot basis, since it was discovered that adult involvement is crucial in promoting adolescent responsibility and community socialization. Based on the results of this pilot initiative, parental involvement will be mainstreamed into the Adolescent Development Programme.

Economic Life Skills Project (ELSP)

A new course on basic economic life-skills has been introduced this year as an evolution of the Adolescent Development Programme's livelihood component. The course has been field tested in 4 regions. It aims to provide knowledge and skills of basic business to adolescent girls so that they are more confident and capable of entering the job market or starting their own small-scale business. Even if some girls decide not to seek an outside job, their increased knowledge and business acumen will raise their family status.

The GoB Partnership Unit (GPU)

The Government of Bangladesh Partnership Unit (GPU) of BRAC Education Programme was established in July 2001 to regularize BRAC's collaboration with the Government of Bangladesh (GoB) in the context of primary education.

Primary Initiatives in Mainstreaming Education (PRIME):

PRIME strives to improve the quality of primary education by establishing collaborative relationships with all stakeholders of the formal education system. The initiative operates from the central level down to the grassroots. PRIME activities focus especially on social mobilisation at the grassroots level, building relationships with local and central

Government authorities, working with School Management Committees (SMCs) of Government Primary Schools (GPSs), and operating pre-primary schools, some of them on Government Primary School campuses. This year PRIME has placed an added emphasis on community and family involvement through the organisation of parents' meetings, mothers' forums, SMC meetings, etc. Keeping with BRAC's multifaceted approach to development, PRIME has tested tube wells in all of its intervention areas for arsenic, planted trees, and conducted training workshops for teachers and SMCs.

Pre-primary Schools

The pre-primary programme began in 1997 as a pilot project with 40 schools aiming to preparing 5-6 year-olds to enter Grade I of the formal system by sparking their interest in learning, and by developing their social, cognitive, language and motor skills. The school cycle is one-year in duration, with each class consisting of 25-30 learners (at least 60% girls), who attend two-hour classes, six days per week.

The curriculum teachers students how to read and write the Bengali alphabet and numbers. They also learn to read and write a few easy words, and participate in about 40 small group games that involve counting and other basic skills. In addition, they are taught about cleanliness, healthy and unhealthy environments, fresh air, and safe drinking water. Physical exercise is part of the daily routine.

Pre-primary school employs and trains two adolescent girls or young (completed at least Grade VIII) women from the village as teachers. The pre-primary school is supervised by an adolescent supervisor who is HSC qualified. One supervisor is responsible for supervising 10 pre-primary schools. These young girls earn an honorarium that helps cover some of their own continued education expenses. By November 2003, 22,647 children had graduated from 814 pre-primary schools and entered Government Primary Schools (GPS). In addition, another 216,667 children were currently enrolled in 7,500 pre-primary schools.

After the completion of the course the graduates will get admitted in the Government Primary Schools (GPS). In order to cover as many potential entrants to GPS as possible, the pre-primary schools located near GPS have two pre-primary classes, able to cover up to 60 students in the GPS catchment area. The government at both the centralised and decentralised levels has been very receptive to the expansion of BRAC Pre-Primary Schools. Through the pre-primary programme BRAC has been able to increase school readiness, ensure smooth entry into primary school, and open discussions with GPS teachers and school management committees to ensure that more of BEP's target group excel and persist in GPS.

Community Schools

Community schools were established by the GoB under the General Education Project in rural areas where the population density was very high, literacy rates were very low, and geographic conditions made it difficult for many children, especially girls, to attend school.

After realizing that many of its community schools had become dysfunctional, the GoB decided to hand them over to selected NGOs. Using their own funds, the NGOs improved community school performance. In return, the GoB agreed to provide free textbooks and pay teachers' salaries for two years.

BRAC currently operates 44 community schools with classes from pre-primary to Class V. The curricula and textbooks are from the GoB, and supplemented by BRAC materials. 6,687 students attend BRAC-run community schools, with a male-female ratio of 51:49.

Formal Schools

BRAC opened formal schools to illustrate how the success of the non-formal strategy can work in a formal school setting. Through formal schools, BRAC will also pursue innovative ideas for supplementary materials and teaching methods.

The formal schools follow the government academic year and curriculum, and use BRAC textbooks and supplementary materials. Currently, 2474 children attend pre-primary through Class V. 66 teachers (100% female) work in these schools. This programme is fully funded by BRAC.

Other Interventions

Eliminating Child Labour from Bidi Works

BEP is working with Special Projects in the Bidi industry of Haragachha Pouroshava to rehabilitate children employed in cigarette making factories. This is an ILO funded project.

BRAC's Intervention in Sudan

In cooperation with UNICEF, BEP has been sending its senior staff to Southern Sudan to adapt BRAC's school model in three provinces. Under the agreement, BRAC sends staff for 5-6 months and a curriculum expert for 2-3 weeks to assist the Sudanese team with operation and curriculum development. BEP has been supporting this project for the last two years.

Post-Primary Basic and Continuing Education (PACE)

The Post-Primary Basic and Continuing Education (PACE) programme of BRAC's Education Program strives to provide quality education opportunities to rural Bangladesh's adult and secondary school population. PACE concentrates its efforts on community-based multipurpose learning centres, called Gonokendros, and on capacity development of rural non-government secondary schools. Within these two core activities, there are a host of smaller initiatives and government linkages to ensure that PACE clients have access to a variety of educational tools and professionally trained instructors.

A. Post-Primary Basic Education (PBEn)

In an effort to address the present lack of quality in secondary education in Bangladesh, BRAC initiated the Post-Primary Basic Education (PBEn) program. The program aims to supplement the Government's efforts to improve secondary education opportunities, with an emphasis on the professional capacity development of secondary teachers.

Based on the positive findings of a pilot project, BRAC has permission from the Ministry of Education (MOE) to conduct workshops/training for head teachers, subject teachers, and members of the School Management Committee (SMC) of secondary schools. Meanwhile, BRAC introduced the issue of teacher training to the donor consortium of BRAC Education Program. CIDA offered its support in introducing the PBEn activities to secondary schools, with a special focus on capacity building in ethnic areas.
BRAC's current interventions reach 325 schools. Of this total, 175 are located in ethnic minority areas.

1. Material Development: In order to develop the most appropriate learning materials, BRAC has consulted a wide array of experts and formed a core group to concentrate on material development and training. Materials covering 33 topics in Mathematics, 28 topics in English, 20 topics in Science, and 5 topics in value education have been prepared. These materials were reviewed and strengthened by national and international consultants.

2. Teachers Teaching: When the National Curriculum and Textbook Board (NCTB) introduced a new curriculum in 1997, BRAC learned that most of the rural teachers were finding it difficult to comprehensively present the new topics to the students. This has encouraged BRAC to organize residential subject based training for English, Mathematics and Science teachers. Pre and post-test result analysis indicates a significant change in their capacity to understand and deliver new topics. BRAC monitors classroom teaching of subject teachers and performance education managers following their training. This enables BRAC to identify the strengths and weaknesses of the training materials and the existing system of these institutes, and to identify appropriate modifications.

3. Management Workshops and Training: BRAC believes that for a good teaching and learning environment, management must assume a comprehensive role within the school. As of December 2003, 302 head teachers, 340 assistant head teachers, and 520 SMC chairs and vice chairs attended BRAC workshops. A six-day management-training course has been introduced. This will be followed by further short duration courses.

4. Value Education and Citizenship Building Through Co-Curricular Activities: BRAC has piloted a mentoring project that strives to instill in secondary school students a sense of their personal identity and concomitant responsibility as a student of the school, and a member of the family, community, and country. Given this objective, BRAC has trained 289 teachers on value education. Debating, preparing wall magazines, creative writing, mentoring and sports are all included in the present course. BRAC also plans to implement Maths, Science and English brigades to create interest among the students in these subjects.

5. Community-Based Workshop: Since the community runs 98% of secondary schools, the development of a given community's involvement and capacity is crucial. BRAC therefore organizes community workshops attended by parents, teachers, local political and community leaders, local elite, and other stakeholders. In 2003, BRAC organized 24 such workshops.

Cooperation with the Government and Relevant Agencies

One of the biggest changes in PBEn during 2003 was the improvment in cooperation with the Government and relevant agencies. BRAC maintains a strong liaison with the

Government in an effort to maximize utilization of resources and to minimize or avoid duplication of initiatives. BRAC organized workshops and held meetings with upazila and district level Government education officials to share experiences, offer updates on new activities, and coordinate training at the secondary education level. BRAC also conducted a meeting with the GOB, particularly the Directorate of Secondary and Higher Education (DSHE). The meeting was attended by 23 participants including the Director General of DSHE, senior officers, including Directors of major projects (i.e. PROMOTE, SESIP, ELTIP), and senior staff of BRAC.

B. Continuing Education (CE)

Although Bangladesh has made remarkable progress in universalizing primary education, a nation of primary-schooled adults is not a sufficient precursor to human development and economic prosperity. Cognizant of this remaining obstacle, BRAC has established 802 community-based multipurpose learning centres, or Gonokendros, to provide post literacy services and to promote reading habits among the semi and neo-literates in rural areas. Gonokendros are mostly located on the premises of secondary schools or at the center of a union, and are operated by locally recruited and trained women. At present, 94.74% of the librarians are women.

When a new Gonokendro is desired, BRAC requires that a community demonstrate its commitment to the project by mobilizing subscribers, raising money, providing a room, and forming an activity committee. BRAC then creates an interest accruing fund with a matching amount of money, and also provides furniture and reading materials. Within two years, the Gonokendro is transformed into a registered autonomous trust, which continues to mobilize resources for future sustainability. As of December 2003, 620 Gonokendros (76.43%) have been registered as trusts.

In addition to their primary function as libraries, Gonokendros also promote a variety of educational, socio-cultural, and sports activities in an effort to build community cohesion.

Children's Corner: Found in 93% of BRAC Gonokendros, the children's corners provide reading materials, indoor games, and a black board. Story telling sessions and cultural activities are also occasionally arranged.

Targeting Students: In 2003, 392 Gonokendros hosted regular teacher-guided library periods for secondary school students. In 2003, Gonokendros also lent textbooks to 13,131 poor, mostly female students for an entire academic year.

Mobile Library: As of December 2003, there are 123 mobile libraries that offer reading opportunities to adults who are unable to take direct advantage of the library services of Gonokendros. A part-time assistant librarian (usually a woman) transports books to the doorsteps of rural households once/twice a week. 46,924 books were issued to 4,640 members in different villages. Of this number, 3,170 are women.

IT in Gonokendros: Recognizing the growing digital divide between the rural and urban population, and in response to community demand, BRAC introduced computers to its Gonokendros in late 1999. Currently, 70 Gonokendros have been equipped with computers and 1 Gonokendro is connected to the Internet. Gonokendro IT services also provide Bangla language resources, relevant curriculum for a variety of users, and multimedia CD libraries. To date, 1,824 Gonokendro members (680 female) have received training on basic computer skills.

Skill Development Training: BRAC, in cooperation with the Directorate of Youth and Sports, has organized livelihood enhancement skill development training courses for adolescent/youth Gonokendro members since 1998. To date, 15,663 Gonokendro youths have received practical training in industries such as livestock, poultry, fisheries, tailoring, agriculture, electrical and electronics, refrigeration, nursery, handicrafts, etc. 6,898 of the trainees were female.

Socio-Cultural Activities: Gonokendros host a variety of socio-cultural and sports activities in an effort to solidify community consciousness. These include the celebration of important national events, social service functions, publishing wall magazines, and hosting cultural and literary events. Many of these cultural programs are financed by community donations. Throughout 2003, 663 Gonokendros collected 876,513 Taka (cash and crops).

Support *programmes*

BRAC Training Division

In an effort to enhance the capacities of the poor as well as to promote staff development BRAC has incorporated training as an integral part of all programmes BRAC Training Division (BTD) has played a significant role in quality assurance in 2003 by developing new need-based training curriculum/modules for BRAC main programmes The Division also upgraded existing modules and materials.

Diversified internal training initiatives such as micro finance management, BRAC Bank staff development, managing educational programmes, building the capacity of the para-professionals and staff of human rights and legal aid services, BRAC school teachers capacity building, secondary school teachers capacity building, and communication skills development were arranged for BRAC staff In this way, BTD has been instrumental in creating a work force that believes in the vision and values of BRAC In addition, the Training Division organized and facilitated a number of external training courses and exposure visits to develop the capacity of Government Of Bangladesh (GoB) staff members and other national development organisations

BRAC training courses are grouped into two broad categories Human Development and Management, and Occupational Skills Development Respective programmes conduct their own occupational skills development courses

The BTD is continuing the Gender Quality Action Learning (GQAL) programme to improve gender relations among BRAC staff and group members and to ensure the quality of BRAC programmes by facilitating recruitment and retention of female personnel. Some collaborative programmes have been undertaken with the Government and with non-government organisations A training course on "Personal Social Education for married adolescent girls" was held for 181 community health workers The training programme was funded by UNFPA and sponsored by Directorate of Youth Government of Bangladesh Another training programme on "The role of community leaders in empowering adolescent girls Gender perspectives" was funded by UNICEF. 1700 current and ex UP chairman members religious leaders, schoolteachers, and community leaders participated

BRAC Training Division emphasizes its own capacity development through courses on "Behavioral Modification through Leadership Development" for senior trainers It also organizes regular forums to improve English proficiency among Training Division staff BTD continues to facilitate BRAC Local Representative (BLR) workshops that ensure all field administrators remain up-to-date on BRAC activities and policies.

In 2003 89,717 people were trained (46,508 male and 43, 209 female) by BRAC Training Division

Global Partnership

The Global Partnership (GP) for NGO Studies, Education and Training is a consortium of three educational centres that offers a comprehensive diploma and masters degree programme focusing on the realities faced by NGO leaders from the grassroots to the global level. The three participating institutions include BRAC in Bangladesh, Organization of Rural Associations for Progress (ORAP) in Zimbabwe, and School for International Training (SIT) in the United States

Under the partnership, BRAC offers a postgraduate diploma in NGO Leadership and Management leading to a master's degree ORAP Zenzele College is the venue for the Diploma in Grassroots Development and NGO Management leading to a bachelor's degree, while SIT in Vermont USA offers both a bachelor's and a master's degree

Research and Evaluation Division

The Research and Evaluation Division (RED) was established in 1975 to provide research support to BRAC programmes RED conducts multidisciplinary studies on various development issues and subjects of national and global importance These include poverty alleviation, socioeconomic development, agriculture, nutrition, health, population, education environment, gender, and related fields. Although RED concentrates its activities on BRAC programmes it also maintains strong linkages with the government organizations UN bodies and a number of academic and research institutions at home and abroad In 2003 RED undertook 37 collaborative research projects with organizations like Aberdeen University (UK) British Council (Bangladesh), Campaign for Popular Education (Bangladesh), European Commission (UK), Government of Bangladesh, The Hospital for Sick Children (Canada), ICDDR,B Centre for Health and Population Research (Bangladesh) Imperial College (UK), Institute of Development Studies (UK), International Rice Research Institute (Philippines), Karolinska Institute (Sweden), Micronutrient Initiative (Canada), Population Council (USA), Save the Children (USA), UNDP UNFPA UNICEF, World Bank and the World Health Organisation

A major focus in socioeconomic research during 2003 was on a new BRAC programme for the ultra poor called CFPR-TUP that started in January 2002. This included detailed baseline surveys and process documentation of different programme activities. Research on food system transition, trends in food consumption, rice biotechnology, and rice intensification system were some of the other areas of socioeconomic research in 2003.

A nationwide survey is being conducted every year since 1998 to examine the state of primary education in Bangladesh and to bring qualitative improvement in primary education. The theme of the last survey was literacy in Bangladesh. The current survey aims to get a deeper understanding of the quality of primary education in Bangladesh. Several other studies were also conducted on various aspects of BRAC Education Programme.

RED's major work on health concentrated on gender barriers in TB control programme, deworming, national low birth weight and anaemia survey, micronutrient supplementation, home fortification of weaning foods with micronutrient sprinkles, effects of exposure to arsenic on birth outcome, and primary health care for elderly people.

RED emphasizes the importance of effectively sharing research findings with its stakeholders, such as 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 2003, RED has produced 940 research reports and papers that are available in bound volumes in Ayesha Abed Library at BRAC University. Forty-seven studies were completed in 2003. The abstracts of completed studies are available in the RED annual report and at the BRAC website. Twenty-two original research papers were published in national and international journals during the year. Some of the international journals that published the research findings of BRAC are Health Policy and Planning, Bulletin of the WHO, Scandinavian Journal of Nutrition, Journal of Nutrition, Public Health, Journal of Perinatalogy, Current Science, World Development, IDS Bulletin, Economic and Political Weekly, International Review of Education, and the Journal of Scholarly Publishing. BRAC researchers also contributed four book chapters and have produced four books during the year.

As of December 2003, RED has 28 researchers, 17 support staff, and 58 project staff, 45% being female. Besides, 11 researchers were on study and long leave. In 2003, RED spent Taka 42.4 million (US$ 0.72 million), 33% of which came from BRAC's core funds and the remaining raised from external collaborative research, consultancy, and commissioned research projects.

BRAC Human Rights and Advocacy Unit

BRAC Human Rights and Advocacy Unit (HRAU) seeks to promote behavior change among individuals, groups, communities, organisations, and Government officials. The Human Rights and Advocacy Unit's most substantial project involves the scientific development of communication materials for BRAC's Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor (CFPR-TUP) initiative. Through workshops, lobbying, and media exposure, the HRAU seeks to change perceptions and policies that affect ultra poor individuals in Bangladesh. The HRAU also cooperates with BRAC Research and Evaluation Division to conduct research on ultra poor behavior and poverty alleviation in cooperation with local level players. HRAU has been supported by DFID, EC, CIDA, NOVIB, WFP and BRAC.

The Human Rights and Advocacy Unit's CFPR-TUP related communication work involves social communication initiatives geared towards mobilizing society at all levels to create a pro- poor environment. To ensure that inter-action, the Human Rights and Advocacy Unit executes field visits by social leaders and process-based communication activities. The HRAU's most effective work has been in developing a three-stage theatre based community action initiative supported by audio, video, and other communication material based activities. HRAU has also developed a two-tiered workshop model designed to generate support and link access managers with civil society. National and local publications, meetings with relevant stakeholders, fact sheet publications, and organization of media events are also included. Human Rights and Advocacy Unit created an awareness video that is being broadcast at the field level, and an audiocassette that serves as a link between the ultra poor and local elites. Human Rights and Advocacy Unit is also conducting workshops, popular theatre, and follow-up community meetings to create a network between the primary and secondary stakeholders of the CFPR-TUP project. To increase it's audience and impact, HRAU is also implementing an outreach program involving local NGOs in the program area.

In addition to work on CFPR-TUP, BRAC Human Rights and Advocacy Unit is pushing social communication for Rights. These include urban rights in general, rights of slum dwellers, and rights of distressed women in adverse health conditions. It has also initiated a process of inter-action to empower the urban poor, the most neglected population segment.

Human Rights and Advocacy Unit also conducts workshops to promote gender awareness among all levels of BRAC personnel. It develops strategies to end discriminatory attitudes towards women, and is creating a BRAC-wide policy on sexual harassment.

Special Projects

BRAC Community Road Safety (BCRS) Programme

High incidences of traffic fatality have made road safety an important national and organisational issue in Bangladesh. BRAC workers and programme participants who travel primarily by motorcycle, bicycle, and on foot are disproportionately affected. In response, BRAC initiated its road safety programme in March 2001. Activities of the programme include road safety training of field staff, education through textbooks to BRAC non-formal primary schools, and introduction of community road safety education. The programme also utilizes flip charts, posters, Popular Theatre, and an animated film to disseminate road safety messages.

BRAC's road safety programme has created a network of local NGOs who receive training on road safety and are committed to raising awareness about the issue. BRAC has partnered with Transport Research Laboratory (TRL), UK through the support of DFID to produce a set of guidelines for community road safety education to be replicated in developing countries. As a founding member of the World

Road Safety Network (WRSN) accredited by the UN. BRAC will contribute to the development and dissemination of guidelines for traffic enforcement and education, and advise the UN about road safety issues. In recognition of BRAC's efforts to address road safety problems, the Government of Bangladesh has made BRAC a member of the National Road Safety Council.

Vocational Training

BRAC Special Projects has launched a five-month vocational training course from October 2003 in an effort to eliminate child laborers from hazardous occupations. 1,221 thirteen to seventeen year old child laborers currently working in bidi making factories are taking courses in tailoring, embroidery, stitching, bicycle and rickshaw van repairing, and candle and wax showpiece making. There are 53 courses, each with 25 participants. The trainers have a background in skills training, or are part of an allied business. They also underwent Operational Training of the Trainers (TOT) prior to commencement of the vocational courses. The children who receive training are registered under various partner NGOs of the ILO's Worst Forms of Child Labor Project, which is funded by the US Department of Labor in Haragachha, Rangpur.

Related Institutions

BRAC has been involved in a number of commercial ventures that provide socially useful services and are consistent with BRAC's twin goals of poverty alleviation and empowerment of the poor. Many of these organizations began as BRAC projects and ideas, and later evolved into independent companies with BRAC as a shareholder.

Associate organisations include BRAC Industries Ltd. (Cold Storage), BRAC BD Mail Network Ltd., BRAC Services Ltd. (Hospitality), BRAC Concord Lands Ltd., Delta BRAC Housing Finance Corp., BRAC Tea Companies and Documenta TM Ltd.

Aarong

Aarong was established in 1978 as a marketing arm of BRAC with the aim of providing a stable and gainful source of employment for underprivileged rural artisans. Aarong means a village fair, and symbolizes Aarong's commitment to promoting fairness in the global village. Aarong connects rural artisans to the end user through services such as design, quality control, warehousing, marketing and retailing.
In order to encourage craftsmanship and empower the poor, Aarong offers artisans spot payment, skill development training, fair trade, working capital loans and various other benefits. Currently, Aarong provides services to more than 35,000 artisans, 85% of whom are women. Traditional and non-traditional crafts are made by rural women in Ayesha Abed Foundation training and production centres in Manikganj, Jamalpur, Sherpur, Jessore, Kushtia, Baniachang and Pabna areas, and then sold in Aarong outlets. Many independent cooperative groups or traditional family based artisans such as potters, brass workers, jewelers, jute workers, basket weavers, handloom weavers and silk weavers also market their crafts through Aarong. In 2003, Aarong introduced a sub-brand under its umbrella called "Taaga" which is an east-west fusion fashion line geared towards young and urban women. There are two other product lines introduced by Aarong under its own name. These are "short Kurtas" for men and an "exclusive Salwar Kameez" collection for women. Product development, innovation in design, and improvements in quality and customer service are an ongoing process at Aarong.

Over the last 26 years, Aarong has become a brand that signifies quality, excellence and fair value. Aarong has strong export ties with the United Kingdom, France, Italy, Switzerland, Netherlands, Germany, Australia, New Zealand, Canada, United States, Japan and Malaysia.

BRAC Dairy and Food Project

Bangladesh produces milk for only 13.58% of the total demand. The country has to import milk, which costs about 300 crore taka each year. To meet the increasing demand, BRAC's Rural Development Programme started a livestock programme in 1984. This programme soon observed that even though the programme increased milk production, the livestock rearers were not getting a fair price. Therefore, to ensure a fair price of milk for rural producers, BRAC established a dairy plant in 1998. Under this project seventeen chilling plants were set up in different milk pockets of the country. 34,000 litres of milk are produced and distributed through the milk plant every day.

BRAC Bank

BRAC Bank, inaugurated on July 4, 2001, functions as a full-fledged commercial bank. It strives to promote broad-based participation in the Bangladesh economy by increasing access to economic opportunities for all individuals and businesses. There is a special focus on providing financial services to Small and Medium Enterprises (SME) who

otherwise have no access to institutional credit. BRAC Bank works under the assumption that the pursuit of profit and development can be mutually reinforcing goals. Up to December 2003, BRAC Bank has been operating through nine branches in Dhaka, Chittagong, Sylhet, and 157 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 center of excellence in knowledge creation through research that connects with practice. This 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 skills and knowledge necessary for taking on the challenges of development, both in Bangladesh and beyond.

At present more than 1,500 students are studying at BU to receive a 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, Bachelor of Architecture (B. Arch), Bachelor of Law, and Bachelor of Development Studies. Under Postgraduate Programs, BU is offering three courses: Master of Business Administration (MBA), Master of Development Studies (MDS) and Diploma in Computer Science. Thirteen student clubs and forums are on offer, including Adolescent Empowerment Forum, Cultural Club, Drama & Theatre forum, Debating Club, Enterprise Development Forum, and Global Studies Forum. BRAC University is also in the process of launching the Institute of Education and Development, and the James P. Grant School of Public Health.

BRAC Afghanistan

BRAC Afghanistan, registered in May 2002, is assisting the war affected Afghan people to rebuild their country through programmes in education, health, micro finance, enterprise development, capacity development, and the national solidarity programme.

Background

More than two decades of fighting and conflict in Afghanistan has resulted in a severely damaged infrastructure, degraded natural resources, weakened public institutions and fragmented political authority. A severe drought lasting from 1999 until 2002 has exacerbated the situation, and it is estimated that over a quarter of the population are critically poor.

BRAC believes it has a responsibility to the people of Afghanistan as citizens of the world, development practitioners, and members of an organisation committed to the eradication of poverty around the world. Based on its previous experience in Bangladesh after the liberation war of 1971, it believes that with its proven track record of rebuilding a war-ravaged country, it can contribute significantly in assisting the Afghan people to rebuild their country and subsequently improve their economic condition and quality of life. This programme has been supported by OXFAM, SIDA, MISFA, MRRD-Afghanistan, UNICEF, DFID and BRAC.

BRAC Afghanistan was registered in May 2002 as a Foreign NGO and began working in the country with support from the concerned Ministries and a number of donor organisations. The mission of BRAC Afghanistan is to work towards a just, enlightened, healthy and democratic Afghanistan free from hunger, poverty, environmental degradation and all forms of exploitation based on age, sex and ethnicity. The program aims to assist the war affected Afghan people to rebuild their country through programs in education, health, micro finance, enterprise development, capacity development, and the national solidarity program. BRAC Afghanistan operates to varying degrees of scope and intensity in 55 districts in 12 provinces.

Education Programme

The social unrest and conflict in Afghanistan has had a long-term impact on the education system. The present literacy rate in Afghanistan is low, and the country falls short of a large number of teachers, since many were misplaced during the war and many more migrated to neighbouring countries.

The objective of BRAC Afghanistan education programme is to increase enrollment of girls and to promote the retention of female teachers in the primary education sector. BRAC aims to strengthen linkages with the Ministry of Education (MOE) in Afghanistan, to increase collaboration in education related to teacher training, schools for female children, social mobilisation, the exchange of ideas and experiences in primary education, and to enhance the pedagogic efficiency of teachers.

BRAC Afghanistan programme found that (1) a good number of small children cannot attend formal schools since they are situated too far away from their residence or cannot be reached easily due to topography, and (2) a significant number of young girls between the age of 11 – 16 years are out of reach of the formal education system because parents are frequently unwilling to send their daughters to distantly located schools alone. Therefore, it is important to give both children and young adults an opportunity to complete their basic education through an equivalency programme or a transitional programme, to catch up with their age group, and be mainstreamed into formal schools as much as possible. To fulfil this objective, the education programme is operating three types of one teacher, one-room schools in the communities.

The three-year course of NFPE (Non Formal Primary Education) schools is targeted to children 10-15 years old who have never been enrolled in any school or have dropped out of formal school. The Feeder Schools target young children between 8-10 years old to prepare them for entrance into the formal school system following completion of their BRAC course. Feeder schools cover a two-year primary education curriculum in one year. The BEOC (Basic Education for Older Children) schools are for young adults of 11-16 years. The students are expected to enroll in grade IV of formal school after completing 3 years of primary curriculum in 2 years at BEOC schools.

The education programme is currently operating 83 schools, 24 of which are non-formal primary schools, 16 are BEOC schools, and 43 are feeder schools. The total enrollment in these schools is 2,753 students (only 84 are boy students). The Afghanistan national school curriculum, which is supported by the transitional government, is being taught in all BRAC operated schools in Afghanistan.

In addition to the mainstream education programme, BRAC is participating in the Accelerated Learning Programme (ALP) in association with UNICEF Afghanistan. BRAC opened 1,311 classes with 45,885 students (37,174 female and 8,711 male) in five provinces under the winter school programme, and will open another 790 classes in three provinces under the summer school programme. Last year BRAC participated in the Winter Season Accelerated Education Programme in 13 Districts of Kabul City. 15,024 children were covered (10,718 female, and 4,306 male) in 126 winter classes.

Health Programme

In Afghanistan people have very limited access to health care facilities. The rural Afghans have little knowledge of basic health issues, use of safe water for domestic sanitation and personal hygiene, and use of medicine. In an effort to improve the health, nutrition and reproductive health condition of the rural Afghan, the health programme provides an essential package of health services through (1) community based care, and (2) facility based care in collaboration with the public sector and other agencies in Afghanistan. The community-based care initiative provides services to people's doorsteps through health volunteers. The static/mobile clinics provide facility based care to the patients referred by the community health volunteers, local field workers and staff of other agencies.

Female community health volunteers (CHV) implement health programme activities at the grassroots level. Each CHV is responsible for 150 to 200 households in her catchment area. A CHV visits 15-20 households daily. During these visits she provides basic curative care for common diseases, promotes and provides contraceptives, identifies pregnant women and provides support for pregnancy related care, mobilises children for immunization and ensures Directly Observed Therapy (DOTS) for tuberculosis patients in TB affected areas. She also provides health education to the family members, and increases awareness of family health issues. She is responsible for compiling records on births, deaths and migratory movement of people. Community health workers (CHW) are developed to support and supervise the health volunteers. Each CHW supervises the work of 10 health volunteers and visits 15 households a day.

BRAC is currently running 10 fixed clinics and 98 mobile clinics in 10 districts under 3 provinces in Afghanistan. Both of the health centres are equipped with a medical doctor, nurse, pharmacist, vaccinator and register. This year, 143,073 patients were treated, and 7,553 children and 6,907 women were immunised. Antenatal and postnatal services were made available through 12,186 visits. 11,252 couples received family planning methods. In addition to these services, 529 behaviour change communication (BCC) forums were conducted at the village level with 11,990 participants. Flip charts and posters are used in the forums to identify community problems, explain the importance of health services, promote immunisation and family planning, and teach prevention of water borne diseases.

Micro-finance Programme

In Afghanistan, there are many women-headed families because a large number of men were killed during the wars or are working away from home. An opportunity to start an income generating activity or a chance to get a job gives these women strength to survive and helps them maintain their families. They are able to buy food, clothing, send their children to school, and even save some amount for emergency purposes. Afghanistan requires a large amount of funding in order to be rebuilt. The micro-finance programme offered by BRAC is an option to Afghan women who have the desire and ambition to start their own income generating activities. Micro-finance services offered by BRAC serve as seed capital, allowing the poor women to begin and expand businesses. The programme also offers a saving facility as part of the micro-finance programme.

The goal of BRAC micro-finance programme in Afghanistan is to extend support to alleviate poverty in the underdeveloped areas of Afghanistan that have no access to micro-finance services. These small loans have a remarkable impact on the lives of individual Afghan women at the grassroots level since their resultant income generating capacity offers hope and opportunity for a better future. The program follows the same criteria as BRAC Development Program, but adapted to the Afghan context.

With support from Micro-finance Investment & Support Facility, Afghanistan (MISFA), Ministry of Rural Rehabilitation and Development (MRRD), and World Bank, BRAC is implementing a micro-finance programme in 33 branches (33 districts) in 8 provinces, and has plans to extend its services to 75 branches (75 districts) in 14 provinces in 2004.

The micro-finance programme has organised 24,458 VO members in 1,008 VOs. It has disbursed US$ 1,551,331 to 15,710 borrowers. The VO members have deposited US$ 122,654 in savings. The average savings per member is US$ 0.20 a week, and per member net savings is about US$ 4.96. The following graph shows a sharp increase in disbursement, reflecting high demand for micro finance services since an effective banking system is absent.

Small Enterprise Programme (SEP)

The SEP loan aims to provide financial support to the 'missing middles' which belong neither to the target group of the standard micro finance programme, nor meet the necessary criteria to access support through formal financial institutions. The SEP loans support such small businesses as bakeries, grocery stores, weaving businesses, stationary stores, cloth/clothing businesses, pharmacies, home appliance delivery stores and shoe making factories.

BRAC started providing small enterprise loans in July 2002. The loans vary from US$ 300 to US$ 750, but may go as high as US$ 1,000. The loan procedures remain the same as those of the micro finance programme. As of December 2003, there are 208 SEP borrowers to whom US$ 124,581 has been disbursed.

Agriculture Programme

The Afghan economy remains overwhelmingly rural and agricultural - 80–85% of the people depend upon natural resources for their livelihood. Recognizing this dependence, BRAC started an agriculture programme in October 2003 in an effort to ensure the existence of economically viable activities from the agriculture sector and sustainable use of natural resources.

The programme has already developed 36 para-veterinarians, provided training on integrated pest management (IPM) to 40 farmers, and established 4 livestock clinics. It has plans to establish livestock clinics and demonstration plots for IPM, and provide training on broiler chicken farming and maize cultivation.

National Solidarity Programme

BRAC has been working with the Ministry of Rural Rehabilitation and Development (MRRD) of Transitional Islamic State of Afghanistan since August 2003 as one of 21 International Facilitating Partners to run the National Solidarity Programme (NSP) in three provinces- Jalalabad, Helmand and Paktika. The NSP assists Afghan communities to identify, plan, manage and monitor their own reconstruction and community development projects. Strategies include the establishment of Community Development Councils (CDC), instituting a system of direct block grant transfers to support the rehabilitation/development activities of CDCs, capacity development activities to enhance the competence of communities for financial assistance, and evaluating the programme outputs to evaluate the institution building process. BRAC has so far established 431 Community Development Councils through community participatory elections.

Capacity Building

In June 2003 BRAC established a residential training centre with 50 residential facilities in Kabul City. The goal is to improve management competencies and fulfil the capacity development needs of BRAC programme professionals and other development practitioners, and to enhance the human and operational skills of the Afghan programme participants.

BRAC Afghanistan's training courses are of the highest quality. They integrate concept and practice, ensure a participatory approach to learning, and adapt new training technology. The centre conducts both residential and field based trainings. In 2003 the centre conducted training courses for 662 BRAC participants and 837 external participants from different agencies of the Afghan government and local NGOs. Course offerings include needs assessment, NGO management, development management, gender awareness and analysis, a workshop on training needs assessment of Afghan NGOs, communication and community mobilization, a workshop on NSP orientation, micro finance management, NGO management, basic accounting, and a workshop on winter school supervision.

At the invitation of the Ministry of Rural Rehabilitation and Development (MRRD), Transitional Islamic State of Afghanistan, a review mission from BRAC assessed the capacity development needs of MRRD in August 2002 and developed a Five Year Strategic Plan for the Ministry.

Demobilization and Reintegration Project

One of the most common practices in the 23-year Afghanistan armed conflict is the participation of child soldiers. To facilitate the transition back to civilian life of 900 child soldiers, BRAC follows a process of identification, community sensitization, documentation, medical screening, training, and job placement. The project, supported by UNICEF, operates in 5 districts in Bamyan province.

Women Training and Production Centre

The "Women's Training and Production Centre (WTPC)" project is supported by the Ministry of Women's Affairs, Transitional Islamic State of Afghanistan, UNICEF and the World Food Programme (WFP). It aims to increase Afghan women's involvement in livelihood projects through provision of capacity building initiatives and direct access to income generation activities. BRAC established 3 centres in Kabul City and selected 220 women based on the criteria of vulnerability, aged 25-45, widowed, and without a family income source. The women will be trained on sewing and tailoring for three months, and will be producing 100,000 multipurpose bags in three centres. UNICEF will purchase these bags from the centre for back to school projects. WFP is providing assistance to the project and supplying food (wheat, pulse and vegetables oil) to the women. 100 women have been trained in sewing and tailoring, and have produced 35,000 bags in 2003. BRAC received 11.20 MT of rice, 0.450 MT of pulse and 0.444 MT of vegetable oil in December 2003. These have been distributed to 220 women, with each receiving 50 kg of rice, 2 kg of pulse and 2 litres of vegetable oil every month.

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 and the professions 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
  Debapriya Bhattacharya, Executive Director, Centre for Policy Dialogue
  Rokia Afzal Rahman, Industrialist
  Latifur Rahman, Industrialist
  Ainun Nishat, Engineer
  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 2003.

Audit Committee

- Chair
  S. K. Sarkar, Director, Monitoring and Internal Audit

- Members
  Dr. Golam Samdani Fakir, Director Training Division
  Ahmed Nazmul Hussain, Director Administration & Special Projects

Meeting and Attendance

Four meetings of the Audit Committee were held in 2003. 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, Inventory Monitoring and Financial Monitoring Section are working in this regard.

Internal Audit Department consists of 97 Audit Staff including 16 Audit Assistants. 100% audits are conducted where irregularities are detected in 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 programmes that warrant a close watch. Risk based audit introduced in commercial projects during this year. Gradually it will be introduce in other programmes. In 2003, internal audit was conducted in 2,554 locations and 32 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 commitee.

Inventory & Internal Financial Monitoring Section consists of 14 staff, periodically monitoring on inventory and internal financial control in BRAC projects as well as Head office.

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 Programme and Challenging the Frontiers of Poverty Reduction. The Consortium met twice in the year 2003 and discussed programme 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 Programme (WFP).

Contribution of BRAC to Government Exchequer

Income Year	2002 Taka	2003 Taka
Income Tax deduction at source by third parties	7,134,967	10,091,431
Tax deduction at source from third parties	14,532,569	15,567,321
Income Tax deduction at source from staff salary	3,900,000	3,199,118
VAT collection from customers	29,438,408	29,570,835
Import Duty paid	27,020,447	16,025,053
Total	82,026,391	74,453,758

Management

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*

Dr. Golam Samdani Fakir, *Director Training Division*

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

Ahmed Najmul Hussain, *Director Administration & Special Projects*

Faruque Ahmed, *Director Nutrition & Health Programme*

Syeda Sarwat Abed, *Director Aarong*

Dr. Monzoor Ahmed, *Project Director, Institute of Education and Development*

Afsan Chowdhury, *Director Human Rights and Advocacy*

Saieed Bakth Mozumder, *Director Tea Estates*

Taheerah Haq, *Director Public Affairs and Communications*

Dr. Imran Matin, *Director Research and Evaluation Division*

Mehtabuddin Ahmed, *Head of Security and Estate*

Shabbir Ahmed Chowdhury, *Programme Head, Microfinance*

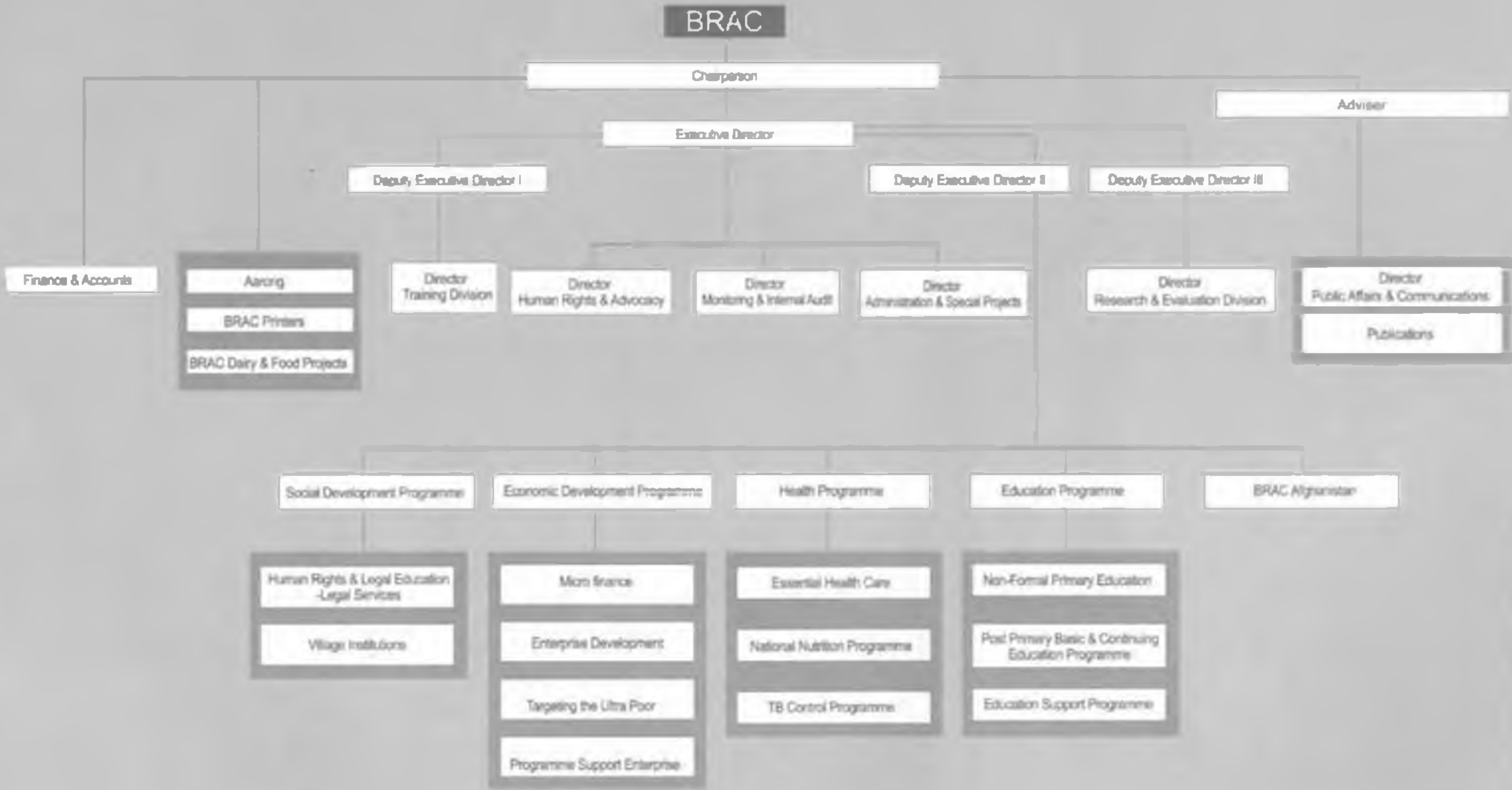
Erum Mariam, *Programme Head, BRAC Education Programme*

Dr. Safiqul Islam, *Programme Head, Post Primary Basic and Continuing Education*

S. N. Kairy, *Head of Finance and Accounts*

Sheepa Hafiza, *Programme Head, Human Rights and Gender*

B R A C Organogram



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INDEPENDENT AUDITORS' REPORT

To The Governing Body of BRAC

We have audited the accompanying Balance Sheet of BRAC (registered in Bangladesh as a society under the Societies Registration Act 1860 and operating as a non-government development organisation) as of December 31, 2003 and the related Statements of Income and Expenditure and Cash Flows for the year then ended. These financial statements, which are set out on pages 1 to 33, are the responsibility of BRAC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards adopted in Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BRAC as of December 31, 2003 and the results of its operations and its cash flows for the year then ended in conformity with the accounting policies summarized in Note 2 of the financial statements.

Ernst & Young

ERNST & YOUNG
Chartered Accountants
Kuala Lumpur, Malaysia

S. F. AHMED & CO
Chartered Accountants
Dhaka, Bangladesh

29 March, 2004

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
as at December 31, 2003

	Notes	2003 Taka	2002 Taka
ASSETS			
Property, plant and equipment	3	3,715,718,935	3,749,559,706
Investment in related undertakings	4	887,104,181	467,510,714
Investment in securities and others	5	430,906,861	314,474,853
Loans to Village Organisation members	6	10,855,808,970	8,599,032,470
Motor cycle loans		245,084,529	214,606,333
Inventories	7	968,960,304	791,174,834
Grants and accounts receivable	8	686,777,380	1,097,564,545
Advances, deposits and prepayments	9	582,859,158	600,005,624
Fixed deposits	10	1,964,259,588	1,576,587,644
Cash in hand and at banks	11	457,267,909	375,703,955
TOTAL ASSETS		**20,794,747,815**	**17,786,220,678**
LIABILITIES AND NET ASSETS			
Liabilities:			
Deferred income	12	431,315,162	477,179,751
Term loans	13	4,149,157,346	3,725,747,360
VO members' savings deposits	14	6,285,938,837	4,983,956,968
Other long term liabilities	15	1,410,411,324	1,231,700,816
VO members' project and current account		31,551,382	40,888,528
Grants received in advance account	16	350,232,107	218,631,804
Other current liabilities	17	689,335,936	607,386,381
Provision for taxation		31,741,030	31,741,030
Bank overdraft	18	506,164,508	284,557,455
Total liabilities		**13,885,847,632**	**11,601,790,093**
Net Assets:			
Capital fund			
- unrestricted		6,775,001,652	6,060,360,457
- temporarily restricted		133,898,531	124,070,128
		6,908,900,183	6,184,430,585
TOTAL LIABILITIES AND NET ASSETS		**20,794,747,815**	**17,786,220,678**

The annexed notes form an integral part of these statements.

Chairperson, Governing Body
BRAC
Dhaka, March 29, 2004

Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended December 31, 2003

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2003 Taka
Income				
Donor grants	19	48,359,951	2,244,965,879	2,293,325,830
Revenue from:				
- Commercial projects		1,505,708,077	-	1,505,708,077
- Programme support enterprises		2,251,326,409	-	2,251,326,409
Service charge on loans to VO members		2,838,603,785	-	2,838,603,785
Investment income	20	212,321,994	4,868,164	217,190,158
Other income	21	124,643,828	33,803,054	158,446,882
Rental income from House property		88,472,321	-	88,472,321
Total income		**7,069,436,365**	**2,283,637,097**	**9,353,073,462**
Expenditure				
Commercial Projects		1,340,268,713	-	1,340,268,713
Program Support Enterprises		2,205,080,068	-	2,205,080,068
House property related expenses		72,459,403	-	72,459,403
Education Programme		24,401,465	1,599,983,844	1,624,385,309
Challenging the Frontiers of Poverty Reduction Programme		45,000,000	390,481,618	435,481,618
Nutrition Programme		-	113,470,763	113,470,763
Health and Population Programme		69,819,009	64,475,897	134,294,906
Micro Finance Programme		2,371,523,988	346,000	2,371,869,988
Poultry Extension Programme		64,370,687	43,402,494	107,773,181
Fisheries Extension Programme		24,898,805	20,771,436	45,670,241
Agriculture Extension Programme		41,449,633	13,554,964	55,004,597
Sericulture and Silk Development Programme		24,802,092	-	24,802,092
Rural Enterprise Development Programme		23,027,654	-	23,027,654
Training, Workshop and Seminars		37,869,218	4,287,290	42,156,508
Grant to BRAC Afghanistan		5,508,710	-	5,508,710
Research, Monitoring and Evaluation		-	21,294,118	21,294,118
Provision for impairment in value of investment in related undertakings		6,055,995	-	6,055,995
Total expenses		**6,356,535,440**	**2,272,068,424**	**8,628,603,864**
Surplus of income over expenditure before taxation		712,900,925	11,568,673	724,469,598
Taxation	22	-	-	-
Net surplus for the year		**712,900,925**	**11,568,673**	**724,469,598**

The annexed notes form an integral part of these statements.

Chairperson, Governing Body
BRAC
Dhaka, March 29, 2004

Executive Director
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
for the year ended December 31, 2002

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2002 Taka
Income				
Donor grants	19	46,709,593	1,933,309,022	1,980,018,615
Revenue from				
- Commercial projects		1,217,762,521	-	1,217,762,521
- Programme support enterprises		1,717,513,559	-	1,717,513,559
Service charge on loans to VO members		2,403,926,404	-	2,403,926,404
Investment income	20	136,150,718	2,521,939	138,672,657
Other income	21	98,780,890	42,474,115	141,255,005
Rental income from House property		89,356,811	-	89,356,811
Total income		**5,710,200,496**	**1,978,305,076**	**7,688,505,572**
Expenditure				
Commercial Projects		1,089,285,430	-	1,089,285,430
Program Support Enterprises		1,593,950,104	-	1,593,950,104
House property related expenses		76,173,241	-	76,173,241
Education Programme		13,581,259	1,176,417,937	1,189,999,196
Nutrition Programme		-	355,255,789	355,255,789
Health and Population Programme		4,880,925	128,996,941	133,877,866
Micro Finance Programme		2,156,961,769	126,000	2,157,087,769
Poultry Extension Programme		57,712,790	97,849,783	155,562,573
Fisheries Extension Programme		58,293,549	22,142,262	80,435,811
Agriculture Extension Programme		71,083,273	16,845,859	87,929,132
Sericulture and Silk Development Programme		61,490,980	-	61,490,980
Human Rights and Legal Education Programme		25,748,653	66,632,154	92,380,807
Rural Enterprise Development Programme		34,452,622	69,539,553	103,992,175
Training, Workshop and Seminars		34,515,054	7,876,853	42,391,907
Grant to BRAC Afghanistan		6,091,290	-	6,091,290
Research, Monitoring and Evaluation		6,394,863	17,336,565	23,731,428
Total expenses		**5,290,615,802**	**1,959,019,696**	**7,249,635,498**
Surplus of income over expenditure before taxation		419,584,694	19,285,380	438,870,074
Taxation	22	-	-	-
Net surplus for the year		**419,584,694**	**19,285,380**	**438,870,074**

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Changes in Net Assets
for the year ended December 31, 2003

	Note	Capital Fund		Total Net assets
		Unrestricted	Temporarily restricted	
		Taka	Taka	Taka
At 1 January 2002		5,640,775,763	104,784,748	5,745,560,511
Net surplus for the year		419,584,694	19,285,380	438,870,074
At 31 December 2002		6,060,360,457	124,070,128	6,184,430,585
At 1 January 2003		6,060,360,457	124,070,128	6,184,430,585
Transfer following expiry of programmes		1,740,270	(1,740,270)	—
Net surplus for the year		712,900,925	11,568,673	724,469,598
At 31 December 2003		6,775,001,652	133,898,531	6,908,900,183

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended December 31, 2003

	Note	2003 Taka	2002 Taka
Cash flows from operating activities:			
Surplus of income over expenditure before taxation		724,469,598	438,870,074
Adjustment to reconcile changes in net assets to net cash provided by operating activities			
Loan loss provision		367,823,502	312,707,454
Depreciation		232,856,489	231,924,142
Gain on disposal of property, plant and equipment		(7,333,872)	(769,260)
Gain on disposal of related undertakings		(7,735,190)	—
Share of results in related undertakings during the year		(23,137,202)	26,843,381
Provision for impairment in value of investment in related undertakings		6,055,995	—
Donor grants - amortisation of investment in property, plant and equipment		(48,459,166)	(42,344,564)
Donor grants - amortisation of motorcycle replacement funds		(4,271,864)	(7,440,158)
Service charge on loans to VO members		(2,838,603,785)	(2,403,926,404)
Interest on fixed deposits and bank accounts		(123,142,133)	(142,158,761)
Interest on VO members saving deposits		280,368,425	262,409,326
Interest on long term loans and overdraft facilities		303,080,320	213,485,996
Adjustments for other accounts:			
Decrease/(increase) in service charge outstanding on loans to VO members		(35,079,722)	12,830,686
Decrease/(Increase) in inventories		(177,785,470)	125,416,486
Decrease/(Increase) in advances, deposits and prepayments		17,146,466	(117,834,121)
(Increase)/Decrease in accounts receivable, net		107,185,069	(133,256,491)
Decrease in other current liabilities		81,949,556	95,730,622
Decrease in other long term liabilities		178,710,508	232,740,024
Decrease in deferred income		6,866,441	8,321,198
Increase in motorcycle loans		(30,478,196)	(53,175,192)
Net cash used in operating activities		**(989,514,231)**	**(939,625,560)**
Cash flows from investing activities:			
Increase in loans to VO members		(2,589,520,280)	(1,213,253,392)
Service charge received on loans to VO members		2,838,603,785	2,403,926,404
Interest received on fixed deposits and bank accounts		123,142,133	142,158,761
Interest paid on VO members saving deposits		(280,368,425)	(262,409,326)
Interest paid on long term loans and overdraft facilities		(303,080,320)	(213,485,996)
Purchase of property, plant and equipment		(253,314,660)	(493,761,312)
Proceeds from disposal of property, plant and equipment		61,632,814	769,260
Proceeds from disposal of related undertakings		40,000,000	—
Decrease/(Increase) in fixed deposits pledged with financial institutions		37,582,899	(614,831,417)
Increase in investments in related undertakings		(449,777,016)	(2,897,605)
Dividends received from related undertakings		14,999,941	6,812,497
Increase in investment in securities and others		(116,432,008)	(228,576,952)
Net cash used in investing activities		**(876,531,137)**	**(475,549,078)**

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
for the year ended December 31, 2003

	Note	2003 Taka	2002 Taka
Cash flows from financing activities:			
Grants received during the year		2,682,663,640	1,895,385,903
Grants utilised during the year for:			
- operational expenditure & micro-finance		(2,240,594,800)	(1,930,233,895)
- investment in property, plant and equipment		(2,925,941)	(6,067,223)
- motorcycle replacement funds		(3,940,500)	(2,253,975)
Increase in term loans		423,409,986	474,101,037
Increase in VO members savings deposits		1,301,981,869	678,960,384
Decrease in VO members project and current accounts		(9,337,142)	(11,535,757)
Net cash provided by financing activities		2,151,257,112	1,098,356,474
Net (decrease)/increase in cash and cash equivalents		285,211,744	(316,818,164)
Cash and cash equivalents, beginning of the year		403,757,184	720,575,348
Cash and cash equivalents, end of the year	11	688,968,928	403,757,184

The annexed notes form an integral part of these statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
December 31, 2003

1. Introduction:

BRAC, a national private development organisation, was formed in 1972 under the Societies Registration Act 1860. Although it was first set up to resettle refugees in post-war Bangladesh, BRAC later redesigned its strategies in accordance with its philosophy of poverty alleviation and empowerment of the poor. At present, BRAC has a large number of development programs that cover the areas of health, education, credit, employment and training for the poor people of Bangladesh. BRAC carries out licensed banking activities through the BRAC Bank Ltd and also earns from various income generating projects such as Aarong Rural Craft Centre, BRAC Printers and BRAC Dairy and Food project, BRAC Tea Estates, and various programme support enterprises such as poultry farms, feedmills, seedmills and prawn hatcheries.

During the year, investments in related undertakings were made as follows:

		Taka
BRAC Bank Limited	- additional investment	67,450,000
Documenta TM Limited	- new investment	2,400,000
A Q Chowdhury & Sons		
Tea Estate Limited	- new investment	243,908,025
Purbachal Tea Company Ltd	- new investment	63,300,695
Banshkhali Tea Company Ltd	- new investment	27,709,870

BRAC also disposed of its investment in BRAC Renata Agro Industries Limited for a consideration of Taka 40,000,000, resulting in a net gain of Taka 7,735,190.

2 Summary of Significant Accounting Policies:

BRAC prepares its financial statements under the historical cost convention on a going concern basis. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items, as disclosed in the Summary of Significant Accounting Policies. The financial statements are expressed in Bangladesh Taka.

The significant accounting policies followed in the preparation and presentation of these financial statements are summarized below.

2.1 Basis of preparation of financial statements

BRAC maintains its books of account and records on a programme or project-wise basis. The Head Office maintains records of all treasury, investment and management functions. All cash balances, including those held for programmes, are held by the Head Office and transferred to programmes as required. Balances between projects are eliminated upon combination for the purposes of presentation of the financial statements.

These financial statements include the financial statements of BRAC and, on an equity accounted basis, those of the related undertakings set out in Note 4 in which BRAC has equity interests through which it excercises control or significant influence. As stated in Note 2.2, BRAC, being a society under the Societies Registration Act, 1860, is not subject to any requirement to prepare consolidated financial statements.

2. Summary of Significant Accounting Policies (contd.)

2.1 Basis of preparation of financial statements (contd.)

In contrast to the ownership of equity interest in related undertakings, BRAC also extends gratuitous grants to certain organisations that, in some instances may bear names with resemblance to BRAC, vis BRAC University and BRAC Afghanistan. However, no equity is held in these entities, and BRAC's financial statements therefore do not include the financial statements of these entities.

BRAC's accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

In the combined financial statements, funds have been classified within either of two net asset categories - temporarily restricted and unrestricted. Accordingly, the net assets of BRAC and changes therein are classified and reported as follows:

- ***Temporarily restricted net assets*** - Net assets subject to donor-imposed restrictions that permit BRAC to use or expend the assets as specified. The restrictions are satisfied either by the passage of time and/or by actions of BRAC. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, any balances of temporarily restricted net assets are either returned to donors in accordance with donor agreements or utilized consequent to donor and management agreements on a temporarily restricted or unrestricted basis.

  In cases where restrictions expire, it is BRAC's policy to effect the reclassification of assets from temporarily restricted net assets to unrestricted net assets through transfers within the balance sheet.

- ***Unrestricted net assets*** - Net assets that are not subject to any donor-imposed restrictions or which arise from internally funded activities. This category of net assets includes amongst others, amounts designated by BRAC for commercial activities, programme support enterprises and micro-financing activities.

2.2 Non-consolidation

BRAC, being a society registered under the Societies Registration Act, 1860 is not subject to any requirement on the preparation of consolidated financial statements. Accordingly, BRAC's investments in related undertakings wherein the effective equity interests are more than 50% are accounted for by the equity method as explained in Note 2.9, together with related undertakings in which the effective equity interests are between 20% and 50%.

2. Summary of Significant Accounting Policies (contd.)

2.3 Donor Grants

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, BRAC's donor grants are for the funding of projects and programmes, and for these grants, income is recognized to equale to expenditure incurred on projects and programmes. For donor grants which involve funding for fixed assets, grant income is recognized as the amount equivalent to depreciation expenses charged on the fixed assets concerned. For donor grants provided to purchase motorcycles for specific projects, income is recognized over the estimated useful life of the motorcycles.

All donor grants received are initially recorded at fair value as liabilities in the Grants Received in Advance Account. For grants utilized to purchase fixed assets and motorcycles, the donor grants are transferred to deferred income accounts whilst for grants utilized to reimburse programme-related expenditure, the amounts are recognized as income. Donor grants received in-kind, through the provision of gifts and/or services, are recorded at fair value (excluding situations when BRAC may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants). Income recognition of such grants follows that of cash-based donor grants and would thus depend on whether the grants are to be utilized for the purchase of fixed assets or expended as programme-related expenditure.

Grant income is classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programmes, any unutilized amounts are dealt with in accordance with consequent donor and management agreements.

For ongoing projects and programmes, any expenditure yet to be funded but for which funding has been agreed at the end of the reporting period is recognized as grant receivable.

2.4 Revenue Recognition

Commercial projects - Aarong Rural Craft Centre, BRAC Printers and BRAC Dairy and Food Project.
Programme Support Enterprises - mainly comprising poultry farms, feedmills, seedmills, prawn hatcheries.
Revenue is recognized based on billings, net of discounts and allowances.

Service charge on loans to VO members
Service charges on regular loans, that is, loans where no amounts are overdue as at the end of the reporting period are recognized on an accrual basis as income. The recognition of service charge ceases when the loan is transferred to non-interest bearing loan. These loans are referred to as "non performing" loans.

Service charge previously accrued but not received on loans subsequently classified as non-performing is reversed. Service charge is included in income thereafter only when its receipt becomes probable, generally when it is realized. Loans are returned to the accrual basis only when the full amounts of the outstanding arrears of loans are received and future collectibility is reasonably assured.

2. Summary of Significant Accounting Policies (contd.)

2.4 Revenue Recognition (contd)

Interest on bank accounts, fixed deposits, PSPs and debentures
Revenue is recognized as the interest accrues unless collectibility is in doubt.

Other income
All other income are recognized when BRAC's right to receive such income has been reasonably determined and all conditions precedent are satisfied.

2.5 Expenses

Programme related expenses arise from goods and services being distributed to beneficiaries in accordance with the programme objectives and activities. BRAC's Head Office overhead expenses are allocated to various projects and programmes at a range of 5% to 10% of their costs, based on agreement with donors or management's judgement.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the estimated useful lives at the following annual rates

Item	Annual Depreciation Rate (%)
Buildings	2.5 – 4
Furniture & Fixtures	10
Equipment	15
Vehicles	20
Bicycles	20
Machinery	20
Deep tube wells and tanks	20
Hatcheries	20
Motorcycles	20
Camp/Poultry/Livestock sheds	20
Crates/Mannequins/Samples	33.33

No depreciation is charged on freehold land and construction work-in-progress.

2.7 Loans to VO Members

BRAC's activities include providing micro-credit loans to group members without collateral, on a service charge basis under various programs. Loans are stated net of provision for loan losses.

2. Summary of Significant Accounting Policies (contd.)

2.8 Provision for Loan Losses

BRAC provides for loan losses based on 2% of loan disbursements made. Non- performing loans are monitored and service charges are not recorded. Such loans are written off against the loan loss provision when recovery is unlikely. Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio. Any collections received from loans previously written off are credited to the statement of income and expenditure.

2.9 Investments in Related Undertakings

Related undertakings refer to separately-established undertakings in which BRAC has effective equity interests of more than 20%. Details of these undertakings are disclosed in Note 4.

BRAC's investments in these undertakings are accounted for by the equity method whereby the investments are initially recorded at cost and subsequently adjusted to reflect BRAC's share of results for each period added to or deducted from the respective investment costs, from the dates of their acquisition and to the dates of their disposal. Provision is also made for any impairment if the carrying amount of an investment exceeds its recoverable amount.

2.10 Investment in Securities and Others

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments in shares of listed companies are subsequently measured at fair value, with unrealized gains or losses recognized in the statement of income and expenditure. Fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the asset.

Other long-term investments which are intended to be held to maturity, such as debentures and private debt securities, are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost apart from the amortization process which is dealt with through the statement of income and expenditure, any gain or loss is recognized in the statement of income and expenditure when the investment is disposed of or suffers a permanent diminution in value.

2.11 Accounts Receivable

Accounts receivable arise principally from BRAC's commercial activities and programme support enterprises, and are stated net of provision for doubtful debts.

2.12 Inventories

Retail inventories are stated at cost based on selling price less average mark-up, and other inventories are stated at cost. Provision is made for obsolete or slow moving items, to reduce their carrying amounts to net realizable value.

2. Summary of Significant Accounting Policies (contd.)

2.13 Motorcycle Replacement Fund

Applicable donor funds are utilized for providing motorcycles to project or programme staff, and these funds are held in a replacement fund. BRAC provides motorcycles to staff, the cost of which is recovered through monthly salary deductions. Donor funds received and utilized for the purchase of motorcycles are amortized to the statement of income and expenditure over a period of 5 years, being the average estimated useful life of the motorcycles.

2.14 Foreign Currency Translations

BRAC maintains its books of account in Bangladesh Taka. Transactions in foreign currencies are translated into Taka at the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Bangladesh Taka at exchange rates prevailing at that date and any gain or loss is recognized in the statement of income and expenditure. BRAC's foreign currency denominated monetary assets and liabilities are outlined in Note 23 below.

2.15 Self - Insurance Funds

BRAC has created a self-insurance fund to cover the risks of cyclone and fire on its properties and motorcycles. This self-insurance fund is based on estimates by the Governing Body, and as from 2001 by reference to external actuarial valuations. It is held as a provision within 'Other long term liabilities' (Note 15) and is not externally funded.

BRAC also sets aside monthly amounts equivalent to 3% of the basic salary of employees, to constitute the group self insurance fund. This fund is to cover liabilities arising out of death and other permanent injuries suffered by the employees. The terms of employment provide for payment in the event of death or permanent injury, of amounts ranging from 12 months' equivalent of basic salary in the first year of employment to 50 months' equivalent of basic salary in the 10th year of employment onwards. The self-insurance fund for employees is held as a provision within 'Other long term liabilities' (Note 15) and is not externally funded. It is based on estimates by the Governing Body, and as from 2001 by reference to external actuarial valuations.

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediately following financial periods have been determined based on actuarial valuations carried out in 2003 in respect of the funds, and are disclosed in Note 15 to the financial statements. It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provisions in respect of these funds.

2.16 Employee Gratuity and Redundancy Fund

BRAC makes provisions for an Employee Gratuity and Redundancy fund, on the basis of two months' basic salary for each completed year's service for each permanent employee (based on basic salary of the last month). The fund is held as a provision within 'Other long term liabilities' (Note 15), and is not externally funded. Gratuity is to be disbursed upon retirement of employees whilst redundancy disbursements are to be made as a one-time termination benefit in the event of cessation of service from BRAC on grounds of redundancy.

2. Summary of Significant Accounting Policies (contd.)

2.16 Employee Gratuity and Redundancy Fund (contd)

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediately following financial periods have been determined based on actuarial valuation carried out in 2003, and are disclosed in Note 15 to the financial statements. It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provision in respect of the fund.

2.17 Deferred Taxation

Deferred taxation is provided for, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxation benefits are only recognised when their realisation is probable.

2.18 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case these costs are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale

2.19 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprise cash and bank balances and unpledged fixed deposits, against which bank overdrafts, if any, are deducted. Included in cash and bank balances are donations which are received through donor grants. By virtue of donor agreements, the manner in which such donations are to be applied may be restricted to specific projects and/or assets

3. Property, plant and equipment

Group of fixed assets	Cost					Depreciation					
	Opening balance Taka	Additions during the year Taka	Transferred during the year Taka	Disposals during the year Taka	Closing balance Taka	Opening balance Taka	Charged during the year Taka	Adjustment for disposals/transfer during the year Taka	Closing balance Taka	Net book value 31-12-2002 Taka	Net book value 31-12-2001 Taka
Freehold land	1,373,742,287	54,823,706	-	(6,547,996)	1,422,017,998	-	-	-	-	1,422,017,998	1,373,742,287
Buildings	1,616,808,956	-	85,918,982	(43,254,080)	1,659,473,858	324,754,586	61,409,656	-	386,164,242	1,473,309,616	1,492,054,370
Furniture and fixtures	319,758,546	16,897,781	-	(649,646)	336,006,681	195,845,729	22,829,714	(184,150)	218,491,293	117,515,388	123,912,817
Equipment	750,528,861	113,100,941	-	(9,446,829)	854,182,973	428,020,182	78,712,038	(5,415,438)	501,316,782	352,866,191	322,508,679
Vehicles	198,519,365	22,621,896	-	(1,500,000)	219,641,261	163,508,534	22,006,705	(1,500,000)	184,015,239	35,626,022	35,010,831
Bicycles	13,886,445	1,995,632	-	-	15,882,077	10,302,380	1,524,892	-	11,827,252	4,054,825	3,584,065
Machinery	281,774,347	18,873,963	-	-	300,648,310	150,431,907	26,802,226	-	177,234,133	123,414,177	131,342,440
Deep tubewell and tank	7,851,456	607,662	-	-	8,459,118	4,126,013	694,498	-	4,820,511	3,638,607	3,725,443
Hatchery	4,222,804	2,396,088	-	-	6,618,892	1,326,446	702,047	-	2,028,493	4,590,399	2,896,358
Camp/poultry/livestock sheds	143,489,254	6,739,215	-	-	150,228,469	8,044,285	13,808,255	-	21,852,540	128,375,929	135,444,969
Motorcycles	2,123,611	136,084	-	-	2,259,695	1,255,524	-	-	1,255,524	1,004,171	868,087
Construction work in progress	105,176,275	14,644,692	(85,918,982)	-	33,902,005	-	-	-	-	33,902,005	105,176,275
Crates/mannequins/samples	53,512,085	477,000	-	-	53,989,085	34,219,020	4,566,456*	-	38,785,476	15,203,607	19,293,065
Total 2003	**5,071,394,292**	**253,314,660**	**-**	**(61,398,530)**	**5,263,310,422**	**1,321,834,586**	**232,856,489**	**(7,099,588)**	**1,547,591,487**	**3,715,718,935**	**3,749,559,706**
Total 2002	**4,580,451,980**	**493,761,312**	**-**	**(2,819,000)**	**5,071,394,292**	**1,092,729,444**	**231,924,142**	**(2,819,000)**	**1,321,834,586**	**3,749,559,706**	

Allocation of depreciation		2003 Taka	2002 Taka
i) included in cost of sales of commercial projects	Note 26	7,220,227	6,482,931
ii) reflected in programme related expenses	Note 28	225,636,262	225,441,211
		232,856,489	**231,924,142**

An amount of Tk. 48,459,168 (2002: Tk. 42,344,584) has been transferred to the statement of income and expenditure from Deferred Income-investment in fixed assets to cover the depreciation charge for donor-funded fixed assets as disclosed in Notes 12 & 19.

Landed properties with an aggregate net book value of Tk. 381,545,087 (2002: Tk. 848,695,180) have been pledged to secure term loans and overdraft facilities as disclosed in Notes 13 and 18 to the financial statements.

4. Investment in related undertakings

Related undertakings - unquoted	2003				
	Shares Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in Value Taka	Total Taka
BRAC Bank Ltd	317,390,000	(9,093,757)	—	—	308,296,243
BRAC Industries Ltd	24,999,900	3,527,411	—	—	28,527,311
BRAC BD Mail Network	9,250,000	1,611,636	—	—	10,861,636
Documenta TM Ltd	2,400,000	74,790	1,760,180	—	4,234,970
BRAC Services Ltd	10,000,000	(28,853,003)	24,908,998	(6,055,995)	—
BRAC Concord Lands Ltd	60,000,000	(9,781,395)	—	—	50,218,605
Delta BRAC Housing Finance Corp Ltd	50,000,000	18,897,411	—	—	68,897,411
A Q Choudhury & Sons Tea Estate Ltd	243,908,025	2,241,543	20,499,607	—	266,649,175
Purbachal Tea Company Ltd	63,300,695	(1,528,392)	15,049,777	—	76,822,080
Banshkhali Tea Company Ltd	27,719,870	(2,217,665)	8,608,729	—	34,110,934
Bangladesh Netting Factory	17,071,429	(5,130,796)	26,545,183	—	38,485,816
	826,039,919	(30,252,217)	97,372,474	(6,055,995)	887,104,181

Related undertakings - unquoted	2002				
	Shares Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in Value Taka	Total Taka
BRAC Bank Ltd	249,940,000	(39,361,933)	—		210,578,067
BRAC Industries Ltd	24,999,900	1,877,690	—		26,877,590
BRAC BD Mail Network	9,250,000	(519,714)	—		8,730,286
BRAC Renata Argo Industries Ltd	21,420,000	12,062,329	17,000,000		50,482,329
BRAC Services Ltd	10,000,000	(23,799,256)	24,754,463		10,955,207
BRAC Concord Lands Ltd	60,000,000	(4,915,020)	9,600,221		64,685,201
Delta BRAC Housing Finance Corp Ltd	50,000,000	32,209,293	—		82,209,293
Bangladesh Netting Factory	17,071,429	(5,098,052)	1,019,364		12,992,741
	442,681,329	(27,544,663)	52,374,048	—	467,510,714

	2003	2002
Represented by:		
Share of net tangible assets	748,866,985	415,136,666
Goodwill on acquisition	40,864,722	—
Loans	97,372,474	52,374,048
	887,104,181	467,510,714

4. Investment in related undertakings (contd)

Related undertakings	2003 %	2002 %	Principal activities
BRAC Bank Ltd (Incorporated in Bangladesh)	99 9	99 9	Banking business
BRAC Industries Ltd (Incorporated in Bangladesh)	99 9	99.9	Cold storage
BRAC BD Mail Network Ltd. (Incorporated in Bangladesh)	98 0	98.0	Internet service provider
BRAC Renata Agro Industries Ltd (Incorporated in Bangladesh)	-	51 0	Poultry farm
BRAC Services Ltd (Incorporated in Bangladesh)	100	100	Hospitality
BRAC Concord Lands Ltd (Incorporated in Bangladesh)	50 0	50 0	Land and housing
Delta BRAC Housing Finance Corp Ltd (Incorporated in Bangladesh)	25 0	25.0	Housing finance
Documenta TM ltd (Incorporated in Bangladesh)	80.0		Software Development
A Q Choudhury & Sons Tea Estate Ltd (Incorporated in Bangladesh)	99 9	-	Tea Plantation
Purbachal Tea Company Ltd (Incorporated in Banglndesh)	99 9	-	Tea Plantation
Banshkhali Tea Company Ltd (Incorporated in Bangladesh)	99.9	-	Tea Plantation
Bangladesh Netting Factory (Incorporated in Bangladesh)	94.0	94 0	Poultry Processing

BRAC's investments in the related undertakings are represented by its share in the respective net tangible assets, and loans extended

Loans represent finance provided for working capital and earn 12% (2002 12%-20%) interest per annum These loans have no fixed repayment terms

Included in share of reserves in 2003 is a non-distributable portion amounting to Tk 13,251,492 (2002 Tk. 5,885,734)

5. Investment in securities and others

	2003 Taka	2002 Taka
Original cost of shares in companies listed in Bangladesh	9,784,906	9,765,706
Provision for permanent diminution in value	(2,356,613)	(3,055,137)
	7,428,293	6,710,569
Debentures	423,478,568	307,764,284
	430,906,861	314,474,853
Market value of shares in companies listed in Bangladesh	**7,428,293**	**6,710,569**

Debentures amounting to Tk. 122,050,000 have been pledged as securities for borrowing facilities from Bank. The debentures earned interest at 12.0%-13.50% (2002: 11.5%-13.50%) per annum during the year.

6. Loans to Village Organisation members

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At January 1, 2003	9,173,476,727	77,312,824	(651,757,181)	8,599,032,470
Additions	20,700,002,500	2,838,603,785	(367,823,502)	23,170,782,783
Realisation	(18,110,482,220)	(2,766,747,988)	-	(20,877,230,208)
Write-off	(269,804,992)	(36,776,075)	269,804,992	(36,776,075)
At December 31, 2003	**11,493,192,015**	**112,[illegible]**	**([illegible])**	**10,[illegible]**

Loans to VO members bear annual service charges as follows:

Micro-credit: 15% per annum on loan disbursed
Housing loans: 10% per annum on loan disbursed

Repayments are made in weekly/monthly instalments.

6. Loans to Village Organisation members (contd)

The loan principal outstanding and loan loss provision are analysed as follows:

Loan Classification	Days in Arrears	Loan Principal 2003 Taka	Loan loss Provision 2003 Taka	Loan Principal 2002 Taka	Loan loss Provision 2002 Taka
Standard	Current (no arrears)	10,088,877,280	201,777,546	8,485,159,775	169,703,190
Watchlist	1 - 30	300,507,620	15,025,381	64,025,820	3,201,291
Substandard	31 - 180	643,461,080	128,692,216	99,730,126	19,946,025
Doubtful	181 - 350	224,261,948	168,196,461	262,617,323	196,962,992
Loss	Over 350	236,084,087	236,084,087	261,943,683	261,943,683
		11,493,192,015	**749,775,691**	**9,173,476,727**	**651,757,181**

7. Inventories

	2003 Taka	2002 Taka
Seeds and feeds	388,231,753	228,942,579
Medical supplies and consumables	91,726,547	46,554,555
Printing and stationery	91,104,178	109,657,673
Handicraft goods	328,232,146	259,715,990
Dairy products	34,254,841	42,228,037
Programme materials	35,410,839	104,076,000
	968,960,304	**791,174,834**

8. Grants and accounts receivable

	2003 Taka	2002 Taka
Grants receivable (Note 16)	123,777,953	427,380,049
Interest receivable on fixed deposits and bank accounts	100,522,750	106,373,784
Other accounts receivable	465,967,819	573,611,510
	690,268,522	1,107,365,343
Provision for doubtful debts	(3,491,142)	(9,800,798)
	686,777,380	**1,097,564,545**

Included in interest receivable on fixed deposits is Tk. 66,795,723 (2002: Tk 50,020,847) receivable after 12 months.

9. Advances, deposits and prepayments

	2003 Taka	2002 Taka
Advances:		
Employees	85,570,802	33,626,689
Suppliers	362,421,461	444,445,796
Advance for tax	86,790,045	73,686,987
	534,782,308	551,759,472
Deposits for facilities and utilities	9,539,826	15,195,857
Prepayments	38,537,024	33,050,295
	582,859,158	**600,005,624**

10. Fixed deposits

	2003 Taka	2002 Taka
Fixed deposits pledged with financial institutions (Notes 13 and 18)	1,226,394,061	1,263,976,960
Fixed deposits unpledged	737,865,527	312,610,684
	1,964,259,588	**1,576,587,644**

11. Cash in hand and at banks

	2003 Taka	2002 Taka
Cash in hand	24,532,009	41,449,315
Cash at banks	432,735,900	334,254,640
	457,267,909	**375,703,955**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following as at December 31:

	2003 Taka	2002 Taka
Cash in hand and at banks	457,267,909	375,703,955
Fixed deposits unpledged (Note 10)	737,865,527	312,610,684
Bank overdrafts (Note 18)	(506,164,508)	(284,557,455)
	688,968,928	**403,757,184**

12. Deferred income

	Note	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
At 1 January 2003		469,875,718	7,304,033	477,179,751
Transferred from				
Grants received in advance	16	2,925,941	3,940,500	6,866,441
Amortisation to Statement				
of Income and Expenditure	19	(48,459,166)	(4,271,864)	(52,731,030)
At 31 December 2003		**424,342,493**	**6,972,669**	**431,315,162**

13. Term loans

	Note	2003 Taka	2002 Taka
Government of Bangladesh	(a)	54,772,033	56,747,022
Palli Karma Shahayak Foundation (PKSF)	(b)	2,768,233,313	2,636,499,992
* Bangladesh Krishi Bank (BKB)	(c)	81,152,000	62,544,100
* Standard Chartered Bank	(d)	800,000,000	600,000,000
* Agrani Bank	(e)	300,000,000	72,000,000
Sonali Bank	(f)	25,000,000	125,000,000
* Pubali Bank Ltd	(g)	120,000,000	120,000,000
BASIC Bank Ltd		-	20,150,000
The Trust Bank Ltd		-	32,806,246
		4,149,157,346	**3,725,747,360**
Term Loans are analysed as follows			
Amount repayable within 12 months		1,767,284,259	1,286,889,813
Amount repayable after 12 months		2,381,873,087	2,438,857,547
		4,149,157,346	**3,725,747,360**

* Secured by fixed deposits and debentures amounting to Tk 1,070,220,061 (2002: Tk 1,135,676,960) and properties amounting in aggregate to Tk 98,525,881 (2002: Tk 268,495,160)

(a) (i) Loan from the Government of Bangladesh of Tk 32,700,200 was obtained for construction of Garments workers hostel, and bears interest at 1% per annum. The loan will be repayable in equal half early instalments over twenty years, starting from September 2005.

(a) (ii) Loan from the Government of Bangladesh of Tk 36,000,000 was obtained to disburse among VO members as housing loans, and bears interest at 1% per annum. The loan is repayable in equal half yearly instalment over five years, starting from August 2000.

(b) (i) Loan from PKSF of Tk 3,201,000,000 was obtained to support the credit program and bears service charge at 5% - 7% (2001: 5%) per annum. Each drawdown is repayable in ten equal half-yearly instalments.

(b) (ii) Loan from PKSF of Tk 292,000,000 was obtained to support the Participatory Livestock Development Program and bears service charge 6.25% (2002: 6.25%) per annum. Each drawdown is repayable in ten equal quarterly instalments.

(c) (i) Loan from BKB of Tk 120,572,400 bears interest at 8% (2002: 8%) per annum was obtained to support the credit program and is repayable in twenty equal half- yearly instalments, starting from January 01, 1998 and ending on July 01, 2007.

(c) (ii) Loan from BKB of Tk 20,000,000 bears interest at 11.5% per annum was obtained to support the broiler processing plant and is repayable in twelve equal quarterly instalments, starting from March 31, 2004.

(c) (iii) Loan from BKB of Tk 10,000,000 bears interest at 12.5% per annum was obtained to support the vegetable pack house and is repayable full in 2004.

13. Term loans (contd)

(d) Loan from Standard Chartered Bank of Tk. 800,000,000 bears interest at 9.5% - 10% (2002: 10%) per annum and is to be fully repaid within 180 days from drawdown on July 9, 2003

(e) Loan from Agrani Bank of Tk. 300,000,000 was obtained to support credit programme bears interest at 9.5% (2002: 9.5%) per annum and is repayable in 5 equal half yearly instalments, starting from September 2004

(f) Loan from Sonali Bank of Tk 200,000,000 bears interest at 10% (2002 10%) per annum and is repayable in quarterly instalments with accrued interest within 3 years including 1 year moratorium at the beginning, starting from October 31, 2001

(g) Loan from Pubali bank Ltd. of Tk. 120,000,000 bears interest at 11% per annum and is repayable on October 31, 2004

14. VO members' savings deposits

	2003 Taka	2002 Taka
Opening balance	4,983,956,968	4,304,996,584
Deposits for the year	3,926,726,213	2,975,123,992
Withdrawals during the year	(2,624,744,344)	(2,296,163,608)
Closing balance	[illegible]	[illegible]

The average rate of interest paid in respect of savings deposits by VO members was 6% (2002: 6%) per annum

15. Other long term liabilities

	2003 Taka	2002 Taka
Employee gratuity and redundancy fund	1,059,938,049	971,624,064
Self-insurance fund		
- Employees	87,933,950	64,133,309
- BRAC properties and motorcycles	118,738,287	75,701,920
	206,672,237	139,835,229
Other funds		
- Special fund for scholarship	3,326,253	3,187,949
- Flood rehabilitation fund	47,774,041	50,714,290
- Emergency fund	92,700,744	66,339,284
	[illegible]	[illegible]

15. Other long term liabilities (contd)

An actuarial valuation of the self-insurance fund for employees as at 31 December 2003 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Tk 33,174,000. The principal assumptions applied in the actuarial valuation, which were consistent with a similar valuation carried out in 2001, included official mortality rates in Bangladesh and an interest rate of 8%, which is the average long-term rate of interest expected to be applicable.

An actuarial valuation of the employee gratuity and redundancy fund as at 31 December 2003 was performed by an independent professional actuary. Based on the valuation, there was an excess provision of Tk 18,865,000. The principal assumptions applied in the actuarial valuation were similar to those applied for the self-insurance fund for employees, and additionally a rate of salary increase of 7% per annum. The principal assumptions used were consistent with a similar valuation carried out in 2001.

The indicative excess provisions in respect of the self-insurance fund for employees and the employee gratuity and redundancy fund, amounting to an aggregate of Tk 52,039,000, have not been written back, but will be considered in determining future provisions.

BRAC also commissioned an investigation report on the properties and motorcycles self-insurance fund as at 31 December 2003 by an independent professional actuary. Similar to the valuation carried out in 2001, the investigation report addressed BRAC's properties and motor cycles within and outside the Dhaka City Corporation areas. The investigation report set out a recommendation that to attain a satisfactory financial position required for the self-insurance fund, an additional provision of Tk 150,000,000 would be required. BRAC intends to accrete its properties and motorcycle self-insurance fund provision to attain the recommended additional Tk 150,000,000 over a period of four years commencing 2004, subject to further periodic reviews.

The Special fund for scholarship represents the Catherine H. Lovel memorial fund which will subsequently be utilized for a scholarship programme for poor girls. It is represented by specific fixed deposits, from which interest is added to the fund.

The Flood rehabilitation fund represents recoveries from prior disbursements of grants for flood rehabilitation, and is held as a liability.

The Emergency fund represents receipts from service charges from prior disbursements of grants under the donor funded Micro-credit Rehabilitation Project to assist micro-credit borrowers in the event of natural disasters such as floods, typhoons and cyclones. The fund is represented by a specific bank balance from which interest is added to the fund.

16. Grants received in advance account

	Note	2003 Taka	2002 Taka
At 1 January		218,631,804	77,351,255
Receivables as at 1 January		(427,380,049)	(242,930,310)
		(208,748,245)	(165,579,055)
Donations received	24	2,682,663,640	1,895,385,903
Transferred to deferred income			
- Investment in fixed assets	12	(2,925,941)	(6,067,223)
- Motorcycle replacement fund	12	(3,940,500)	(2,253,975)
Transfer to Statement of Income and Expenditure for expenditure during the year	19	(2,240,594,800)	(1,930,233,895)
		226,454,154	(208,748,245)
Receivables as at 31 December	8	123,777,953	427,380,049
At 31 December		**350,232,107**	**218,631,804**

17. Other current liabilities

Liabilities for expenses	152,151,429	285,522,772
Liabilities for goods	197,904,386	114,092,372
Advances received for training, publications, supplies etc	339,280,121	207,771,237
	689,335,936	**607,386,381**

18. Bank overdraft

Pubali Bank Ltd	506,164,508	284,557,455
	506,164,508	**284,557,455**

The bank overdraft from Pubali Bank Ltd was obtained for BRAC's micro-finance programme, bears interest at 10% (2002: 12%) per annum, and is repayable on or before May 31, 2005. The overdraft is secured by fixed deposits amounting in aggregate to Tk 278,224,000 (2002:Tk. 128,300,000) and by pledge of properties with a book value of Tk 283,019,206 (2002: Tk 380,200,000)

19. Donor grants

	Note	2003 Taka	2002 Taka
Transferred from grants received in advance	16	2,240,594,800	1,930,233,895
Transferred from deferred income			
(a) amortisation of investment in fixed assets			
- unrestricted		45,858,318	40,322,418
- temporarily restricted		2,600,848	2,022,146
	12	48,459,166	42,344,564
(b) amortisation of motorcycle replacement fund			
- unrestricted		2,501,633	6,387,175
- temporarily restricted		1,770,231	1,052,981
	12	4,271,864	7,440,156
		2,293,325,830	1,980,018,615

20 Investment income

	2003 Taka	2002 Taka
Interest on bank accounts and fixed deposits	123,142,133	142,158,761
Share of profits less losses in related undertakings	23,137,202	(26,843,381)
Debenture interest	69,086,739	20,814,337
Others	1,824,084	2,542,940
	217,190,158	138,672,657

21. Other income

	2003 Taka	2002 Taka
Gain on disposal of related undertakings	7,735,190	-
Gain on disposal of property, plant and equipment	7,333,872	769,260
Partial reimbursements on cost of educational supplies	32,954,445	38,907,836
Training income	80,020,189	58,701,898
Sales revenue from Gonokendra Journal	3,470,405	1,263,525
Sales revenue from Printing and Publication	9,538,833	8,648,444
Interest received on loans and advances	13,321,180	16,085,207
Foreign exchange gain - unrealised	-	2,266,580
Others	4,072,768	14,612,255
	158,446,882	141,255,005

22 Taxation

	2003 Taka	2002 Taka
Income taxation charge for the year	–	–

Under the Income Tax Ordinance 1984 (Amended), in addition to its commercial activities, BRAC is also subject to taxation on income derived from its other non-commercial activities unless they are tax exempt. Income from micro-finance activities, agricultural based programme support enterprises and dairy activities are tax-exempt.

There is no taxable income in respect of BRAC's taxable activities in 2003. BRAC has approximately Tk 256 million (2002:Tk 215 million) tax losses arising from these activities, of which Tk 41 million (2002: Tk 84 million) can be carried forward for a maximum period of 6 years to set-off against any future taxable income within this period, subject to the agreement of the tax authorities.

23. Foreign currency denominated monetary assets and liabilities :

	2003 Taka	2002 Taka
Residence Foreign Currency Deposits (in US$)	386,202,192	274,492,291
Residence Foreign Currency Deposits (Euro)	1,328,689	-
Residence Foreign Currency Deposits (in GBP)	7,243,367	-
Cash at bank (in US$)	1,935,096	150,445
Cash at bank (in Euro)	37,985	-
Cash at bank (in GBP)	137,767	-

24 Schedule of donations received

Name of the projects	Donor	2003 Taka	2002 Taka
Reproductive Health and Disease Control	GOB	23,828,693	2,980,000
Income Generating Vulnerable Group Development	GOB	34,666,920	—
Nutrition Facilitation Program (BINP)	GOB	183,671,086	—
	ICDDRB	1,481,370	—
	Sub total	185,152,456	—
Arsenic Mitigation	UNICEF	7,896,334	15,605,074
	Rotary International	2,309,200	—
	Sub total	10,205,534	15,605,074
Flood Relief and Rehabilitation Programme (Jamalpur)	NOVIB	3,674,692	—
Forth Fisheries Program	ULG Northumbrain	7,480,812	9,950,081
Education for Under Aged Garment Workers	UNICEF	225,345	338,017
Nonformal Primary Education Program III	UNICEF	—	1,454,832
	DGIS	120,833,539	181,121,749
	NOVIB	23,687,327	40,404,580
	DFID	194,775,700	259,190,000
	AKF/CIDA	292,209,185	345,626,045
	EC	1,083,798,563	218,346,606
	Others	311,931	178,880
	Sub total	1,715,616,245	1,046,322,702
Challenging the Frontiers and Poverty Reduction Programme	NOVIB	23,682,120	20,364,300
	EC	227,853,247	149,119,910
	DFID	97,200,000	211,155,000
	CIDA	38,455,711	55,840,828
	Sub total	387,191,078	436,480,038
International Conference on Exploration on Human Resource	Rockefeller Foundation	3,022,672	—
Adult Literacy Programme	GOB	—	1,916,622
Char Development Program	DGIS	3,776,637	8,540,999
Strategies to Improve the Proportion of Deliveries with Skill Attendants	Uneversity Aberdeen	46,902	235,999
Micronutrient Beverage Supplementation for Adolescent Girls	Micronutrient Initiatives	7,392,143	—
Thematic Workshop on Microfiannce	Imp-Act	—	91,092
INAFI	NOVIB	—	3,832,073
APON	UNICEF	12,565,000	12,574,144
Community Based Fisheries Management Project	ICLARM	3,644,329	7,194,099
Community Health Progeamme Under PPP	The British Council	2,762,353	367,472
Community Traffic Policing Scoping	TRL Ltd.	203,751	—
Early Childhood Development Project	UNICEF	9,487,107	1,761,765
	Plan International	210,000	—
	Sub total	9,697,107	1,761,765
Atta Fortification Program	WFP	1,767,572	1,537,000

Name of the projects	Donor	2003 Taka	2002 Taka
Education Support Program	NORAD	73,753,684	—
Institute of Education and Development	Plan International	870,000	—
Micro Health Insurance	ILO	2,541,142	3,787,074
National Survey for Birth weight and Anemia Survey	UNICEF	4,542,368	2,271,184
Newborn Lives Initiative Program	Save the Children	2,500,000	3,243,130
Northwest Crop Diversification Project	GOB	3,691,875	3,898,125
Exploring Emerging Areas of Microfinance Impact	Institute of Development Agencies	672,408	—
Global Nutrition Program	GOB	—	261,121,990
BRAC Limb Centre	Jaipur Limb Centre	2,071,042	2,672,767
	International Red Crescent Society	1,291,421	2,136,515
	Sub total	3,362,463	4,809,282
Primary Healthcare for Later life	EC	—	4,752,095
Patterns and Trends in food consumption in poor Rural Urban Household	Imperial College	3,591,781	—
Poultry for Nutrition	GOB	7,597,825	1,313,769
Pre-primary Schools	DGIS	151,843,061	—
Sundarban Biodiversity Conversion project	GOB	597,588	3,758,660
Task Force on Maternal Health and Child Health	Columbia University	473,873	—
Training of Adolescent Girls	UNICEF	1,952,300	519,000
Routine Maintenance Program	GOB	491,725	739,500
School Feeding Program	Land O Lakes	4,858,308	1,853,572
Northwest Microfinance Expansion Program	AusAID	—	40,062,312
WFCL program in Haragach	ILO	5,514,290	7,907,448
Implement of Resettlement Action Plan	GOB	—	2,006,500
Kangaroo Mother care	Population Council	—	363,293
Sprinkles Study in Bangladesh	Sick Children	888,728	—
Pilot program for retrenched garment workers	AusAID	—	933,086
Gender Barriers for TB control	WHO	—	733,892
An anthropology study on Reproductive Health of Married Adolescent	WHO	—	1,584,814
TOTAL		**2,682,663,640**	**1,895,365,903**

25. Segmental financial information

	Unrestricted									Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2003
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance Sheet as at December 31, 2003											
Assets											
Property, plant and equipment	32,412 945	10.551 156	179.263.637	888 956 509	29 133 941	1 436,610 771	1,049 178,172	237 446,070	3 842,453,201	73,265 734	3,715 718,935
Investment in related undertakings	-	-	-	-	-	-	887 104 181	-	887 104,181	-	887 104,181
Investment in securities and others	-	-	-	-	-	-	430 906.861	-	430 906,861	-	430 906,861
Loans to Village Organisation members	-	-	-	-	-	10,823 474 695	-	-	10,823 474 695	32 334 275	10,655 808,970
Motor cycle loans	-	-	894 710	9.745 829	1.326 888	145 412 988	11 982 338	-	169 342.553	75 741.976	245 084,529
Inventories	328.232.146	25.209 940	34 254 841	298 846 266	70 932 484	32 550 626	175,162 117	-	965 168 420	3 771,884	968 960 304
Grants and accounts receivable	-	66 506 246	12 291 511	260 530 045	13 589 689	78 194 860	107 088 845	8 309 915	562 509 111	124 268 269	686 777.380
Advances, deposits and prepayments	63,117 959	4 132.190	34 280 130	72 640 701	16.328.696	70,788 147	298 792.168	7,841,312	567,819 303	15,039.855	582.859.158
Term loan -internal	(60 524 601)	(113 328.445)	-	-	-	-	173.853 046	-	-	-	-
Fixed deposits and PSPs	-	-	-	-	-	1,318 785,800	645 473 788	-	1 964 259 588	-	1,964 259 588
Cash in hand and at banks	23 503 823	30 998 441	(107 531 853)	(492 201 490)	(65 668.504)	506,439 583	183 587 280	118 524,730	194.651,810	262 616.095	457 267.909
Total Assets	386,742,072	44,069,528	153,452,976	818,417,660	65,640,994	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Liabilities and Net Assets											
Liabilities											
Deferred income	-	-	-	-	-	1 243.680	415 026 883	-	416,270,563	15 044.599	431 315,162
Term loans	120.000 000	-	-	330.000 000	-	3,166 457,146	500 000.000	-	4 116,457 146	32 700 200	4 149 157,346
VO members' savings deposits	-	-	-	-	-	6,285 938 837	-	-	6 285 938 837	-	6 285 938 837
Other long term liabilities	49,142.102	18,497 927	-	-	-	92 700 744	1,252,070,551	-	1 410 411,324	-	1,410,411,324
VO members project and current account	-	-	-	-	-	31 551 382	-	-	31 551,382	-	31 551 382
Grants received in advance account	-	-	-	-	-	-	-	-	-	350.232 107	350 232 107
Other current liabilities	46 695 405	15,456 377	25 034 971	65 707 209	6 099 776	256 407 853	208 861 957	9 779 733	634 173 281	55 162 656	689 335,936
Provision for taxation	-	-	-	-	-	-	31 741 030	-	31 741 030	-	31 741 030
Bank overdrafts	-	-	-	-			506 164 508	-	506 164,508	-	506 164,508
Total Liabilities	215,837,507	31,954 304	25,034,971	395,707 209	6,099,776	9,834 299 642	2,913,994 929	9,779,733	13,432 709,071	453,139,561	13,885,847,632
Net assets -Capital fund	170 904 565	12 115 224	128 418 005	422 710 651	59 541 218	4.573.857 828	1 049 111 867	358 342 294	6.775.001 652	133 898.531	6 908 900 183
[illegible]	[illegible]	[illegible]	[illegible]	818.417 860	65.640,994	14,408,157,470	3,963,106,796	368,122,027	20,207,709,723	587 038,092	20,794 747,815

	Unrestricted									Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2002
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance Sheet as at December 31, 2002											
Assets											
Property, plant and equipment	39,502,443	22,233,174	181,423,343	879,114,357	8,589,245	1,386,235,328	1,140,552,888	258,630,520	3,715,281,296	34,298,410	3,749,559,706
Investment in related undertakings	-	-	-	-	-	-	487,510,714	-	487,510,714		487,510,714
Investment in securities and others	-	-	-	-	-		314,474,853	-	314,474,853	-	314,474,853
Loans to Village Organisation members	-	-	-	-	-	8,579,909,314	-	-	8,579,909,314	19,123,156	8,599,032,470
Motor cycle loans	-	-	907,081	9,700,832	2,322,853	133,736,079	12,991,293	-	159,658,138	54,948,195	214,606,333
Inventories	259,715,990	22,571,343	45,892,212	222,834,756	15,938,732	18,239,374	168,731,288	-	753,923,895	37,251,139	791,174,834
Grants and accounts receivable	11,605,873	37,952,213	10,579,624	335,630,494	16,283,528	122,322,705	123,026,559	10,717,767	668,118,563	429,445,982	1,097,564,545
Advances, deposits and prepayments	92,516,738	5,558,697	31,153,032	164,007,926	7,072,433	32,208,993	196,252,560	5,882,498	534,752,477	65,253,147	600,005,624
Term loan -internal	(68,569,841)	(61,074,353)	-		-	24,713,832	102,025,826	-	(2,904,536)	2,904,536	-
Fixed deposits and PSPs	-	-	-	-	-	1,388,785,800	187,801,844	-	1,576,587,644	-	1,576,587,644
Cash in hand and at banks	29,265,056	7,629,313	(140,278,730)	(610,180,734)	(24,753,100)	803,971,706	398,744,165	141,173,206	605,570,881	(229,866,926)	375,703,955
Total Assets	**364,136,059**	**34,870,387**	**129,678,582**	**801,107,231**	**25,433,891**	**12,488,123,130**	**3,112,111,988**	**416,403,991**	**17,372,863,039**	**413,357,639**	**17,786,220,678**
Liabilities and Net Assets											
Liabilities											
Deferred income	-	-	-	-	-	2,640,058	461,192,945	-	463,833,003	13,346,748	477,179,751
Term loans	120,000,000	-	-	352,956,247	-	3,252,791,113	-	-	3,725,747,360	-	3,725,747,360
VO members' savings deposits	-	-	-	-	-	4,983,958,968		-	4,983,958,968	-	4,983,958,968
Other long term liabilities	39,111,627	13,817,082	-	-	-	68,339,284	1,112,432,823	-	1,231,700,816	-	1,231,700,816
Vo members project and current account	-	-	-	-	-	30,576,742	-	-	30,576,742	10,311,786	40,888,528
Grants received in advance account	-	-	-	-	-			-		218,631,804	218,631,804
Other current liabilities	41,902,436	8,938,081	39,139,699	57,686,112	7,662,820	241,954,682	158,616,652	4,488,726	560,389,208	46,997,173	607,386,381
Provision for taxation	-	-	-	-	-	-	31,741,030	-	31,741,030	-	31,741,030
Bank overdrafts	-	-	-	-	-		284,557,455	-	284,557,455	-	284,557,455
Total Liabilities	**201,014,063**	**22,755,163**	**39,139,699**	**410,642,359**	**7,662,820**	[illegible]	[illegible]	**4,488,726**	[illegible]	**289,287,511**	[illegible]
Net assets -Capital fund	163,121,996	12,115,224	90,538,863	390,464,872	17,770,871	3,910,864,283	1,063,571,083	411,915,265	6,060,360,457	124,070,128	6,184,430,585
Total Liabilities and Net assets	**364,136,059**	**34,870,387**	**129,678,582**	**801,107,231**	**25,433,891**	**12,488,123,130**	[illegible]	**416,403,991**	[illegible]	**413,357,639**	**17,786,220,678**

25 Segmental financial information (contd)

	Unrestricted									Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2003
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Statement of Income and Expenditure for the year ended December 31, 2003											
Income											
Donor grants	-	-	-	-	-	-	48,369,951	-	48,369,951	2,244,965,879	2,293,325,830
Revenue from											
Commercial projects	807,872,742	259,735,086	438,100,269	-	-	-	-	-	1,505,708,077	-	1,505,708,077
Program support enterprises	-	-	-	1,972,888,099	278,438,310	-	-	-	2,251,326,409	-	2,251,326,409
Service charge on loans to VO members	-	-	-	-	-	2,838,603,785	-	-	2,838,603,785	-	2,838,603,785
Investment income	-	-	-	-	-	129,378,498	82,943,496	-	212,321,994	4,868,164	217,190,158
Other income - internal	(13,935,734)	(7,927,136)	(5,999,984)	(7,283,085)	-	-	35,145,899	-	-	-	-
Other income	2,251,169	182,126	363,309	5,410,051	1,220,212	39,156,902	76,081,059	-	124,643,828	33,803,054	158,446,882
Income from House property	-	-	-	-	-	-	-	88,472,321	88,472,321	-	88,472,321
Total Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Expenditure											
Commercial Projects	711,523,716	233,982,525	394,782,472	-	-	-	-	-	1,340,288,713	-	1,340,288,713
Programme Support Enterprises	-	-	-	1,932,690,514	272,389,554	-	-	-	2,205,080,068	-	2,205,080,068
House property related expenses	-	-	-	-	-	-	-	72,459,403	72,459,403	-	72,459,403
Education Programme	-	-	-	-	-	-	24,401,465	-	24,401,465	1,599,983,844	1,624,385,309
Challenging the Frontiers of Poverty Reduction	-	-	-	-	-	-	45,000,000	-	45,000,000	390,481,618	435,481,618
Nutrition Programme	-	-	-	-	-	-	-	-	-	113,470,763	113,470,763
Health and Population Programme	-	-	-	-	-	-	69,819,009	-	69,819,009	64,475,897	134,294,906
Micro Finance Programme	-	-	-	-	-	2,371,523,968	-	-	2,371,523,968	346,000	2,371,869,968
Poultry Extension Programme	-	-	-	-	-	-	64,370,687	-	64,370,687	43,402,494	107,773,181
Fisheries Extension Programme	-	-	-	-	-	-	24,898,805	-	24,898,805	20,771,436	45,670,241
Agriculture Extension Programme	-	-	-	-	-	-	41,449,633	-	41,449,633	13,554,964	55,004,597
Sericulture and Silk Development Programme	-	-	-	-	-	-	24,802,092	-	24,802,092	-	24,802,092
Rural Enterprise Development Programme	-	-	-	-	-	-	23,027,654	-	23,027,654	-	23,027,654
Training, workshop and seminars	-	-	-	-	-	-	37,869,218	-	37,869,218	4,287,290	42,156,508
Grant to BRAC Afghanistan	-	-	-	-	-	-	5,508,710	-	5,508,710	-	5,508,710
Research, Monitoring and Evaluation	-	-	-	-	-	-	-	-	-	21,294,118	21,294,118
Provision for impairment in value of investment in related undertakings	-	-	-	-	-	-	6,055,995	-	6,055,995	-	6,055,995
Total Expenses	711,523,716	233,982,525	394,782,472	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Surplus/(deficit) of income over expenditure before taxation	84,464,461	18,027,531	37,881,142	38,324,571	7,268,958	635,614,197	(124,692,863)	16,012,918	712,900,925	11,568,673	724,469,598
Taxation	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit) for the year	84,464,461	18,027,531	37,881,142	38,324,571	7,268,958	635,614,197	(124,692,863)	16,012,918	712,900,925	11,568,673	724,469,598

25. Segmental financial information (contd)

	Unrestricted									Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2002
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Statement of Income and Expenditure for the year ended December 31, 2002											
Income											
Donor grants	-	-	-	-	-	-	46 709 593	-	46 709 593	1.933 309.022	1.980.018 615
Revenue from											
Commercial projects	669.034 910	189.783 522	358.944.089	-	-	-	-	-	1.217 782 521	-	1 217.782 521
Program support enterprises	-	-	-	1 525 147 382	192 366 177	-	-	-	1.717 513 559	-	1 717 513 559
Service charge on loans to VO members	-	-	-	-	-	2 403 926 404	-	-	2.403 926 404	-	2 403.926.404
Investment income	-	-	-	-	-	112 756 408	23 394 312	-	136 150,716	2 521.939	138.672 657
Other income - internal	(27 498.229)	(7 838.198)	(5.999 964)	(77 230,422)	(1 423.956)	-	119 986 770	-	-	-	-
Other Income	9,960.154	182.700	275.725	10.680.981	88 512	28 094.956	49 497.883	-	98 780,890	42.474 115	141,256,005
Income from House property	-	-	-	-	-	-	-	89 358 811	89.358 811	-	89 358 811
Total income	**651,496,835**	**182,130,023**	**353 219,850**	**1,458,597,921**	**191 030,733**	**2,544 777,768**	**239,588,558**	**89,358,811**	**5,710,208,486**	**1,978 305,076**	**7,688 606 572**
Expenditure											
Commercial Projects	587 379 385	168.045 418	333 860,629	-	-	-	-	-	1,089 285 430	-	1 089 285 430
Programme Support Enterprises	-	-	-	1 408.964 010	184 986 094	-	-	-	1,593 950,104	-	1 593,950.104
House property related expenses	-	-	-	-	-	-	-	76,173,241	76 173,241	-	76 173,241
Education Programme	-	-	-	-	-	-	13 581.259	-	13 581 259	1,176 417.937	1 189.999 196
Nutrition Programme	-	-	-	-	-	-	-	-	-	355 255,789	355 255 789
Health and Population Programme	-	-	-	-	-	-	4 880 925	-	4 880 925	128 996 941	133 877 866
Micro Finance Programme	-	-	-	-	-	2.156 961.789	-	-	2.156 961.789	126,000	2.157.087.789
Poultry Extension Programme	-	-	-	-	-	-	57.712.790	-	57,712,790	97 849 783	155 562 573
Fisheries Extension Programme	-	-	-	-	-	-	58.293.549	-	58.293.549	22 142,262	80 435,811
Agriculture Extension Programme	-	-	-	-	-	-	71,083,273	-	71,083,273	16 845,859	87,929 132
Sericulture and Silk Development Programme	-	-	-	-	-	-	61 490 980	-	61 490 980	-	61 490 980
Human Rights and Legal Education Programme	-	-	-	-	-	-	25,748 653	-	25,748,653	66,632.154	92 380 807
Rural Enterprise Development Programme	-	-	-	-	-	-	34 452 622	-	34,452 622	69 539 553	103 992.175
Training, workshop and seminars	-	-	-	-	-	-	34,515,054	-	34,515,054	7 876,853	42 391,907
Grant to BRAC Afghanistan	-	-	-	-	-	-	6,091 290	-	6,091,290	-	6 091,290
Research Monitoring and Evaluation	-	-	-	-	-	-	6.394.863	-	6.394.863	17 336.565	23.731 428
Total Expenses	**587,379,385**	**168,045,416**	**333,860,629**	**1,408,964,010**	**184,986,094**	**2,156,961,789**	**374,246,258**	**76,173,241**	**5,290,616,[illegible]**	**[illegible]**	**7,248 636,498**
Surplus (deficit) of income over expenditure before taxation	64 119,450	14 084 607	19 359 221	49,633,911	6 044 839	387 815 998	(134 656 700)	13,183,570	419 584,694	19 285.380	438 870,074
Taxation	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit) for the year	**64,119,450**	**14,084 607**	**19,359,221**	**49 633,911**	**6,044,839**	**387 815,998**	**(134 656 700)**	**13,183 570**	**419,584,694**	**19 285,380**	**438 870 074**

26. Statement of Functional Expenses

Expenditure Statement
for the year ended December 31, 2003

	Unrestricted									Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2003
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and benefits	65 856 948	4 490,623	18.473,789	39 998,102	7,899 735	1 016 324 467	178,399 430	-	1,331 242 094	722,075 874	2 053,317,967
Travelling and transportation	7 651,412	1 360,874	13 843 635	7 806 680	1 922 866	113 881 148	25 585 076	-	172 031,491	101 043 751	273 075,242
Teachers' salaries	-	-	-	-	-	-	-	-	-	397 959 756	397 959 756
Teachers' training	-	-	-	-	-	-	-	-	-	93 874,075	93 874 075
School rent and maintenance	-	-	-	-	-	-	-	-		115 888 872	115,888,872
Stationery, rent and utilities	48 860 351	3 084,221	4 578,247	8 813 598	3 145 240	112 488 361	7,724 346	7,052 194	193 544,558	31 545,291	225,089,849
Maintenance and general expenses	14 439 292	685,794	2,812,145	7 379,700	2.047 325	91 955,385	8,733 984	4 648 161	132 511,786	32 620 587	165 132,378
VO members' training	-	-	-	-	-	-	7 836 911	-	7 836 911	90 656 183	98 292 094
Staff training and development	-	-	150 434	-	3 783	23 986,777	1,936 187	-	28 077,181	70 320 512	98,397,693
Programme supplies	-	-	-	-	-	83,320,399	20,497 675	-	103 818,074	598 461 706	702 279,780
Interest on VO members' savings deposits	-	-	-	-	-	280 368,425	-	-	280 368,425	-	280 368 425
Interest on long term loans	14,843,829	-	-	32 161,390	1 378 719	182,121,784	34,842 090	-	265 437,812	11 945.528	277 383 340
Bank overdraft interest and charges	465 614	-	-	-	-	-	25,231 366	-	25,696,980	-	25,696 980
Cost of goods sold of commercial projects	535 178 398	223 310 987	320 161 896	-	-	-	-	-	1,078 651,281	-	1 078 651,281
Cost of goods sold of programme support enterprises	-	-	-	1 765 304,966	254 023 579	-	-	-	2,019 328,545	-	2 019 328 545
Publicity, advertisement and sales commissions	10,463 184	-	2,829 535	4 259,086	1 506 621	-	2,241 504	-	21 301,910	-	21 301 910
Loan loss provision for loans to VO members	-	-	-	-	-	387,823 502	-	-	387 823 502	-	387 823 502
Depreciation of property, plant and equipment	9.538 468	177 318	29 866 094	46,827,561	553 324	72 914,280	42,138,261	17 722,881	219 737,973	5 898,289	225,636 262
Provision for bad and doubtful debts	6,227 222	498 707	-	20 349 481	108,362	-	-	-	27 183,752	-	27 183 752
Foreign exchange loss- unrealised	-	-	-	-	-	-	568 733	-	568,733	-	568 733
Allocation to self- insurance fund	-	-	-	-	-	-	-	43,036 367	43 036 367	-	43 036 367
Value Added Tax	-	344 223	2.268 697	-	-	-	-		2 612,920	-	2,612,920
Grant to BRAC Afghanistan	-	-	-	-	-	-	5,508 710	-	5 508,710	-	5 508 710
Provision for Emergency fund	-	-	-	-	-	28,381,460	-	-	28,381,460	-	28 381 460
Provision for impairment in value of investment in related undertakings	-	-	-	-	-	-	6,055 995	-	6 065 996	-	6,056 995
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,272,058,424	8,628 803 864

Included in cost of goods sold of commercial projects is depreciation of property, plant and equipment amounting to Tk. 7 220 227

Expenditure Statement
for the year ended December 31, 2002

	Unrestricted									Temporarily restricted	
	Aarong Rural Craft Centre	BRAC Printers	BRAC Dairy and Food Project	Agro based Programme Support Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted	Development Projects	Total 2002
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Salaries and benefits	53,423,865	4,171,973	10,223,038	37,533,724	6,413,026	922,789,744	165,659,562	-	1,200,184,932	612,563,612	1,812,748,544
Travelling and transportation	5,789,573	831,234	10,765,601	8,580,691	2,113,524	95,837,916	27,958,746	-	151,877,286	85,479,095	237,356,381
Teachers' salaries	-	-	-	-	-	-	-	-	-	291,190,584	291,190,584
Teachers' training	-	-	-	-	-	-	-	-	-	44,127,888	44,127,888
School rent and maintenance	-	-	-	-	-	-	-	-	-	89,689,226	89,689,226
Stationery, rent and utilities	23,435,066	570,677	3,048,733	6,478,872	2,159,873	100,083,189	2,195,293	-	137,971,692	40,535,350	178,507,042
Maintenance and general expenses	14,854,609	274,378	1,755,135	7,955,556	582,558	79,097,080	3,391,729	2,894,168	110,805,206	33,174,471	143,979,678
VO members' training	-	-	-	-	-	1,333,092	38,731,953	-	40,066,046	82,653,541	122,718,586
Staff training and development	-	-	105,017	-	-	38,529,589	12,935,498	-	51,570,104	54,289,852	105,859,956
Programme supplies	-	600,000	-	-	157,783	78,270,064	51,600,285	-	130,628,132	598,692,672	729,320,804
Interest on VO members' savings deposits	-	-	-	-	-	262,409,326	-	-	262,409,326	-	262,409,326
Interest on long term loans	-	-	-	-	129,765	171,568,245	-	-	171,698,010	20,266,761	191,964,771
Bank overdraft interest and charges	5,191,628	-	-	-	-	-	16,329,597	-	21,521,225	-	21,521,225
Cost of goods sold of commercial projects	469,203,536	159,989,472	268,241,293	-	-	-	-	-	897,434,301	-	897,434,301
Cost of goods sold of programme support enterprises	-	-	-	1,288,725,228	170,732,614	-	-	-	1,459,457,842	-	1,459,457,842
Publicity, advertisement and sales commissions	5,918,421	-	4,827,741	10,988,970	2,420,534	-	1,966,169	-	26,117,835	-	26,117,835
Loan loss provision for loans to VO members	-	-	-	-	-	312,707,454	-	-	312,707,454	-	312,707,454
Depreciation of property, plant and equipment	9,584,698	184,356	31,167,487	39,787,736	163,498	60,821,327	47,360,846	29,984,820	219,054,568	6,386,643	225,441,211
Provision for bad and doubtful debts	-	749,805	-	8,915,231	112,919	-	-	-	9,777,955	-	9,777,955
Foreign exchange loss- unrealised	-	-	368,674	-	-	-	-	-	368,674	-	368,674
Allocation to self- insurance fund	-	-	-	-	-	-	-	43,294,263	43,294,263	-	43,294,263
Value Added Tax	-	673,521	3,359,910	-	-	-	4,510	-	4,037,941	-	4,037,941
Grant to BRAC Afghanistan	-	-	-	-	-	-	6,091,290	-	6,091,290	-	6,091,290
Provision for Emergency fund	-	-	-	-	-	33,534,723	-	-	33,534,723	-	33,534,723
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	374,245,258	76,173,241	[illegible]	[illegible]	[illegible]

Included in cost of goods sold of commercial projects is depreciation of property, plant and equipment amounting to Tk 8,482,931

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.

BRAC

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