

FINANCIAL DEVELOPMENT SERVICES (FSD) PROGRAM

The most important step in empowering the poor is to build their economic capacity. The main component of human security is the economy. Economic poverty makes worse poverty in other areas of human life/living. PROSHIKA therefore, has been providing considerable importance and support to the economic development of the poor since its inception.

Most of the people in our country do not have enough crop land. As a result, they have to make a living by doing various kinds of work including agricultural labor, other manual labor, small business, handicrafts, etc. It does not lay any affect to change their poverty. They have been poor and helpless for generation to generation. They cannot be financially self-reliant by doing any business due to lack of capital. Due to various institutional formalities, they do not get enough loan facilities from any source. In such a situation the poor people leave the village and move to the city in pursuit of security of life. This puts a huge strain on the city's population. As a result, they are deprived of access to civic services. Then they start to live in slums and are forced to work hard. Can't educate children and can't provide healthcare. As a result, they become compel to employ their children as laborers and marry off their daughters at an early age due to lack of money. PROSHIKA has implemented financial services programs to protect poor people from such kind of awful economic condition. PROSHIKA provides loan assistance on easy terms to the productive sector considering the poor as well as developing their capacity.

PROSHIKA's financial services program has four activities. These are:

1. Microfinance Activities
2. PROSHIKA Savings Scheme
3. Small Economic Entrepreneur Development Program, and
4. Financial Services Risk Mitigation Activities.

1. Microfinance Activities

Microfinance is a very popular and microfinance based development activity is started from the beginning in Bangladesh. Through these activities the productive sector of our country is developed. On the fields where PROSHIKA provides micro-credit are: Poultry rearing, Livestock rearing, Grain production, Vegetable production, Fish farming, Social forestry, Small business, Local transport, Organic fertilizer production etc. At the same time, it provides loan assistance in various sectors for the development of small entrepreneurs. The rural and urban poor of the country are being benefited from this program. The following tables show the financial plan and achievement for the fiscal year 2020-2021 (in crores of taka).



Table 3: The financial plan and achievement for the fiscal year 2020-2021.

Type	Target (Tk. in Crore)	Achievement (Tk. in Crore)	% of Achievement
Loan outstanding	422.64	518.97	123
Savings Outstanding	-	520.65	-
Loan disbursement	716.74	785.09	110
Loan realization	596.42	690.74	116
Savings withdrawal	123.6	137.18	111
Savings deposit	222.14	295	133
Total income	85.92	89.7	100
Total expenses	69.33	79.37	115

Table 4: The financial achievement for the fiscal year 2020-2021.

Type	Achievement (2020-2021)
OTR	90%
Loan receiver (Members)	233,109
Loan receiver (DW)	287 (person)
Loan outstanding/portfolio (DW)	63.83 (Lakh)
Savings outstanding/portfolio (DW)	62.88 (lakh taka)
Loan outstanding/portfolio (Savings)	64.04 (Lakh TK.)

2. PROSHIKA Savings Scheme

The poor do not get enough work for earning money and surviving all year round. They cannot afford the amount of money they need to survive because of financial hardship. Moreover, they are unable to meet the financial needs due to family problems, physical and mental illness. PROSHIKA has launched a program called ' PROSHIKA Savings Scheme' to save members so that they do not have to sell fixed assets, use little savings or deposits. Under this scheme, the members have accumulated/run up savings of Tk. 269.91 crore for the financial year 2020-2021. Total savings balance till June 2021 is Tk. 511.22 crore. The number of savings depositors is 359,263.

2.1. PROSHIKA Savings Scheme Regular (PSS)

This scheme is a regular savings deposit program for the members. They regularly deposit a fixed amount of money every week. In rural areas the minimum is 50 Tk. per member and in urban areas minimum 100 Tk. A total of Tk. 218.21 crore has been deposited in this scheme during the current financial year (2020-2021).

2.2. Economic Social Security Program (ESSP)

The members of the association voluntarily deposit a minimum of one hundred taka per month in these savings scheme. The purpose of this scheme is to provide health facilities to the members, provide scholarships for their children's education, purchase land, build houses and provide financial assistance for legal services. A total of Tk. 65.39 crore has been deposited in this scheme during the current financial year 2020-2021.

2.3. Double Benefit Savings Scheme (DBSS)

The members of the association can make regular savings deposits as well as deposit their surplus money in this scheme individually in a one-time 'term savings scheme'. In the financial year 2020-2021, Tk. 38.64 crore has been deposited in this scheme.

2.4. PROSHIKA Special Savings Scheme (PSSS)

The scheme was introduced to meet the loan needs of the members and to provide the benefits of the accumulated funds. Under this scheme, if they voluntarily save a certain amount of money, they are paid a fixed rate of dividend every month. Some 36.64 crore taka has been deposited in this scheme during the financial year 2020-2021.

2.5. Lakhpati Savings Scheme

Deposit and withdrawal of savings is a combined process of financial services activities. Members raise their savings to finance household and social activity expenses. A total of Tk. 127.62 crore has been repaid in this financial year including savings dividend.

3. Small Economic Entrepreneur Development Program (SEED)

For the last five decades most of the NGOs in Bangladesh including PROSHIKA have been providing financial and other necessary services to the poor people of the country along with microcredit programs. As a result, economic capabilities of the poor have increased to a certain extent but very little has been done for their further development, i.e. to scale up from the present level of activities. This can be done through promoting small enterprises and creating greater employment opportunities.

PROSHIKA, again, is playing the lead role in this area applying both practical and positive measures to develop the small enterprise sectors.

From this program, the members of PROSHIKA *Samiti* who have acquired greater financial capacity and skills are given loans for setting up of business, small scale industries and agro-based farms. During the financial year 2020-2021, PROSHIKA Seed Trust has implemented financial entrepreneurship development projects by providing a total loan of Taka 8.33 crore in 56 projects under six area development center.

4. Financial Services Risk Reduction Activities (Loan Insurance)

Financial Services Risk Management Fund Tk. 8.11 crore has been collected at the rate of 1% of the loan taken under Financial Risk Management Fund and Member Welfare Fund to reduce the risk of death of family members of the party. A total of Tk 1.05 crore has been disbursed from this fund to the concerned members in the financial year 2020-2021.