

Financial Services Programms (FSD)

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 them 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.

To be successful in alleviating poverty, the first necessary step is to increase income, create employment opportunities for the poor and prevent their income erosion. For this purpose, PROSHIKA provides various financial services to its group members. Financial services programs include: 1. Microfinance Activities; 2. PROSHIKA Savings Scheme;; and 3. Loan Loss Compensation Scheme (Loan Insurance).

1. Microfinance Activities

The process constitutes the basis of the participatory development and spur on acquisition and strengthening of human, socio-economic and cultural resource bases of the poor. Under this program, Tk. 8,734.03 crore of loans has been disbursed to the group members of the *samiti* from the revolving loan in the financial year July, 2014 to June, 2022.

2. PROSHIKA Savings Scheme

These facilities include five more types of financial services. These are 2.1. PROSHIKA Savings Scheme (Regular); 2.2. Economic-Social Security Program (ESSP); 2.3. Double Benefit Savings Scheme (DBSS); 2.4. Special Savings Scheme (PSSS); and 2.5. *Lakhpati* Savings Scheme (PLSS). These schemes provide the group members to secure of their savings, life insurance and financial assistance to overcome losses caused by natural calamities, etc. At present, 420,079 members of 34,844 *samitis* are covered under this scheme.

2.1. PROSHIKA Savings Scheme (Regular)

PROSHIKA is a unique example in Bangladesh of providing life and property security to the poor through Regular Savings Schemes. This scheme has been introduced as 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

2.2. Economic-Social Security Program (ESSP)

Due to some unique components, the program has gained immense popularity among the members of the *Samiti*. Group members participating in this program are provided to their children's education and scholarships and medical facilities. The group members voluntarily deposit a minimum of one hundred taka per month in these savings scheme. A total of Tk. 113.40 crore is the outstanding of this scheme in the financial year 2021-2022.

2.3. Double Benefit Savings Scheme (DBSS)

PROSHIKA launched this savings scheme in 2005 and has introduced this scheme for the members of the society who are interested in depositing their savings in the 'PROSHIKA Savings Scheme' as well as making a lump sum deposit of surplus savings. Initially, the name of this scheme was 'PROSHIKA Fixed Deposit Scheme'. Later it was renamed as 'Double Benefit Saving Scheme' (DBSS). Till June-2022, the savings amount of this program is Tk. 56.13 crore.

2.4. PROSHIKA Special Savings Scheme (PSSS)

PROSHIKA launched this scheme for the group members of the *Samitis* from July 2016. Under this scheme, the members are paid dividends every month for their savings and this scheme nearly Tk. 316.28 crore has been deposited in various development area offices of PROSHIKA till June, 2022.

2.5. Lakhpati Savings Scheme (PLSS)

This savings scheme has been launched in the current financial year. Under this scheme, till June, 2022, about Tk. 6.50 have been deposited in various development area offices of PROSHIKA.

3. Loan Loss Compensation Scheme (loan Insurance)

The loan loss compensation scheme has a current fund of Tk. 32.49 crore. The money of this scheme is given as compensation to the borrowers in case of death. A total of Tk. 1.05 crore has been paid for compensation to the concerned members from this financial year July 2021- June 2022.

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