



# MICROFINANCE PROGRAM

Empower the people; Eradicate the poverty

**🎯 To enhance financial independence and reduce poverty by providing accessible, inclusive, and sustainable financial services to underserved communities.**

## Our Partners



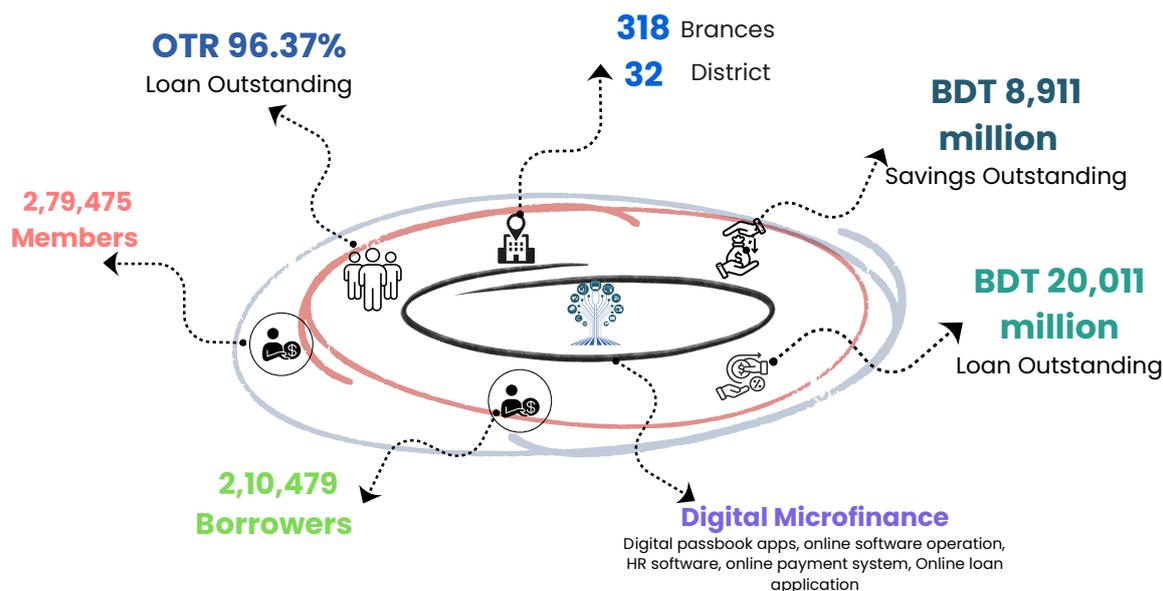
## Overview

Rural Reconstruction Foundation’s (RRF) microfinance program is a holistic initiative dedicated to improving the socio-economic well-being of marginalized communities across Bangladesh. Since 1992, in partnership with PKSf, the program has expanded to 32 districts, offering inclusive financial services that empower individuals, promote entrepreneurship, and support sustainable development. Over the years, RRF has embraced digital transformation to enhance efficiency and client experience—introducing microfinance and HR software, online loan applications, tab-based paperless collections, a digital passbook, and a dedicated call centre to ensure responsive and customer-focused service.

## Specific Objectives

- 01**
  - \*Expand access to loans, savings, and insurance for marginalized groups.
  - \*Support small enterprises through microloans and skills training.
- 02**
  - \*Support income-generating ventures and livelihood improvement by providing accessible, affordable financing, while also helping clients build assets through structured savings opportunities.
- 03**
  - \*Ensure sustainable program operations and diversified funding.
  - \*Strengthen financial literacy and resilience among vulnerable groups, especially women.

## Milestone of Microfinance



## Loan Products for RRF Members

### 1. BUNIYAD Loan

- The program charges a 20% declining interest rate. FY 24-25: total outstanding BDT 81,663,812 with 5091 borrowers.
- Loan amount range is from BDT 5000-BDT 49,000
- Installment: Weekly and Repayable within a maximum of 12 months
- Participants: Participants include ultra-poor households, women-headed families, asset-less and socially marginalized individuals, and those without access to formal financial services.

### 2. JAGORON Loan

- The program operates with a 24% interest rate calculated using the Reducing Decline Method. In FY 24-25: total outstanding of Jagoron is BDT 4,845,845,605 and number of borrowers are 1,03,171.
- Loan amount range is from BDT 30,000-BDT 3,00,000
- Installment: Weekly & Monthly and Repayable within a 12 months, 15 Months period.
- RRF's popular collateral-free loan gives women and individuals easy access to credit unavailable from traditional banks, enabling them to start small businesses, support family income activities, and move toward financial independence.

### 3. AGROSHAR Loan

- The program operates with a 24% interest rate, calculated using the Reducing Method. Agrosor, a Microenterprise (ME) program.
- In FY 24-25: total outstanding of Agrosor is BDT 13,769,997,924 and number of borrowers are 81,201
- Loan amount range is from BDT 3,00,00-BDT 30,00,000
- Installment: Weekly & Monthly and Repayable within a 12/15 Months period.
- Participants: Agrosor supports Micro Enterprise entrepreneurs with microcredit to expand capital, grow their businesses, and create employment opportunities.

### 4. SUFALAN Loan

- The program charges a 24% declining interest rate annually and monthly 2%. FY 24-25: total outstanding BDT 773,427,137 with 19,223 borrowers.
- Loan amount range is from BDT 5000-BDT 49,000
- Installment: Weekly and Repayable within a maximum of 12 months
- Participants: Supports seasonal crop cultivation, fish and poultry farming, and livestock development



## \$ Other Loan Products

SL	Loan Product	Borrower	Loan outstanding	Reducing Interest Rate	Loan Floor	Teneure	Installment
5	Shamriddhi(LI, AC, IGA)	1715	94,065,342	8% & 24%	5000-1000000	1 to 3 Years	Monthly 12/24/36
6	Abasahon	282	42,054,910	12%	50000-500000	1 to 2 Years	Monthly 12-24
7	SEP loan	345	36,686,581	24%	50000-1000000	1 to 2 Years	Weekly-46/Monthly-12 /18/ 24
8	BBR Loan	333	8,297,650	9%	23000-1000000	1 to 2 Years	Weekly-46/Monthly-12 to 24
9	Livelihood Restoration	20	528,889	18%	25000-150000	1 Years	Weekly 46/Monthly 12
10	LRL 2nd Phase	539	13,684,971	4%	25000-50000	1 Years	Monthly 12
11	Agrashar (MDP)	99	6,834,415	18%	50000-1000000	1 Years	Weekly-46/Monthly-12
12	Agroshor RAISE	1114	115,851,180	18%	5000-200000	1 Year to 1 Years 2 Month	Monthly-12/13/14
13	Agroshor RMTF	45	25,336,611	16%	1000000-3000000	1 to 2 Years	Monthly 12/18/24
14	Agroshor MFCE	694	83,262,176	18%	5000-3000000	1 to 2 Years	Monthly 12/18/24
15	Household Wash & Sanitation	1840	70004847	18%	15000-60000	1 Years	Weekly/Monthly
16	Agroshor-SMART	116	16,297,905	24%	50000-2000000	1 to 1.5 Years	Monthly 12/15/17/18
17	RHL	179	3,788,119	22%	15000-25000	1 year	Weekly-46/Monthly-12

## New Products

### 18. SHAHOS Loan

- The program charges a 04% declining interest rate. FY 24-25: total outstanding BDT 16,754,871 with 1506 borrowers.
- Loan amount range is Bdt 20,000
- Installment: Repayable within a maximum of 12 months
- Participants: Loans for restoring economic activities of debtor members affected by disasters

### Micro Insurance Facility for Borrower

RRF's Micro-Insurance initiative provides affordable social protection for economically vulnerable individuals working in the informal sector. It reduces credit-related risks by supporting borrowers during illness, death, and unforeseen crises. During loan disbursement, a mandatory contribution of 10 taka per 1,000 taka loan (5 taka for BUNIAD members) is collected. If a borrower or her husband passes away, the outstanding loan balance is fully waived. The program also offers financial assistance during natural disasters, fires, or other emergencies and grants service charge exemptions for affected projects.

### 19. GRIHAYAN Loan

- The program charges a 5.5% interest rate annually and in FY 24-25: total outstanding BDT 70,00,000 with 28 borrowers.
- Loan amount range is from BDT 2,50,000
- Installment: Repayable within a maximum of 36 months
- Participants: Families with land to build a house but no house, dilapidated house and ability to repay the loan
- Fund: Given by Bangladesh Bank.





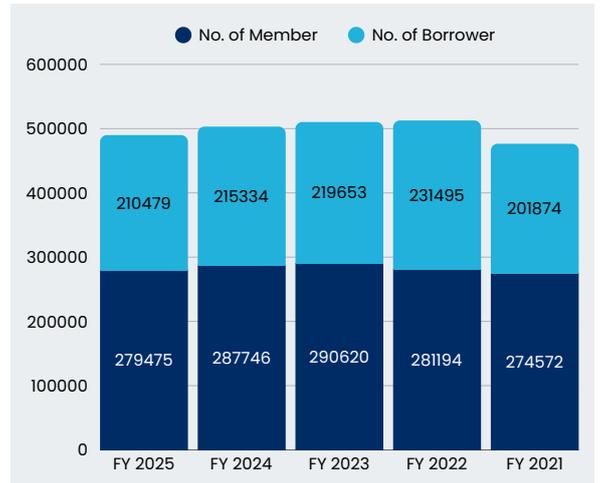
## Savings Product for RRF Memembrs



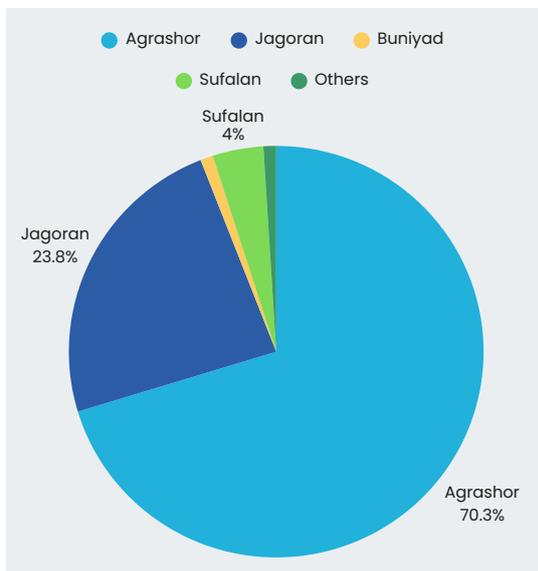
## Program Achievements



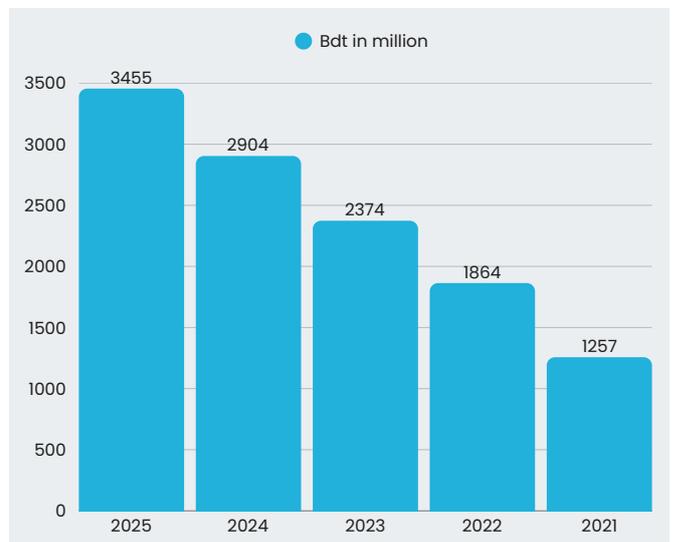
Composition of Loan & Savings Outstanding



Composition of Member & borrower



Componentwise Loan Outstanding Ratio



Composition of Equity Trend

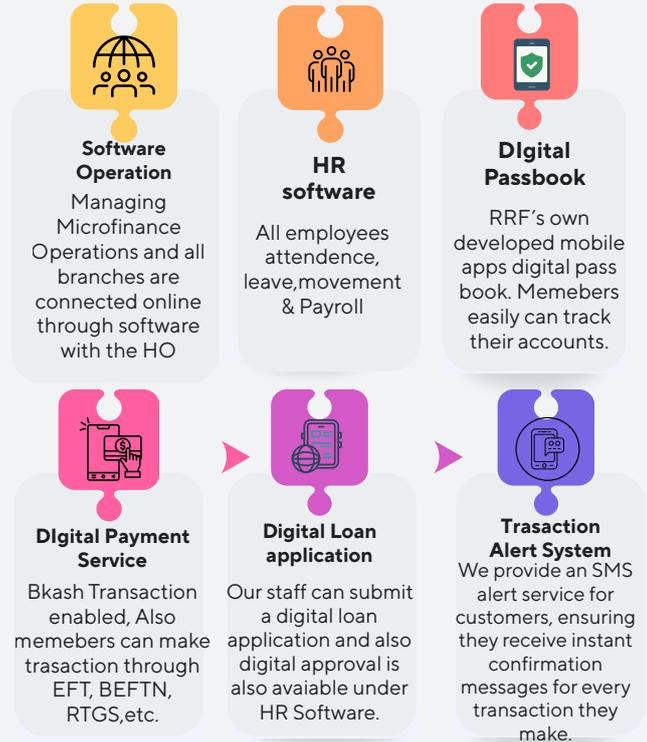
## RRF Working Area



## Social Impact of Microfinance Program

- Economic Empowerment**
  - Expanded access to credit for micro-entrepreneurs
  - Boosted local job creation
  - Improved household income, housing, education, and healthcare
- Poverty Reduction**
  - Helped families shift from subsistence to sustainable livelihoods
  - Reduced inequality by targeting women and vulnerable groups
- Women's Empowerment**
  - Majority women borrowers gaining income and independence
  - Increased leadership roles in households and communities
- Community Development**
  - Supported schools, clinics, WASH initiatives
  - Enhanced financial literacy among borrowers
- Sustainability & Innovation**
  - Community-tailored financial products
  - Promoted eco-friendly and climate-smart practices
- Crisis Resilience**
  - Provided vital support during Natural disasters.
  - Safety nets for disaster-affected families
- National Recognition**
  - Strong presence across 33 districts
  - Influencing national microfinance policies and best practices

## Digitalization in Microfinance



## Challenges and Lessons Learned

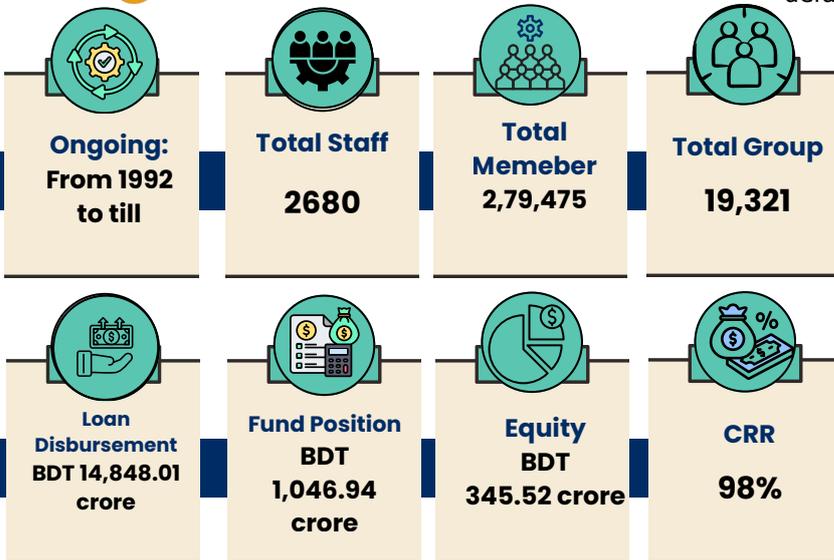
- Liquidity Shortages**  
Due to rising late repayments and defaults, RRF sometimes faces shortages of working capital. This limits its ability to issue new loans on time, especially during peak demand seasons.
- Declining Investor and Donor Confidence**  
When repayment rates fluctuate, investors and funding partners become cautious. This reduces opportunities for new funds and slows program expansion.
- Fraud and Misuse in Mobile Financial Services (MFS)**  
The increasing use of mobile transfers has brought convenience but also higher risks of fraud. Fake transactions, account misuse, and phishing attempts create financial and operational losses.
- Growing Competition**  
RRF faces tough competition from other MFIs, banks, and digital lenders. This increases the pressure to offer better services while keeping costs low, which is challenging in remote rural areas.
- Exclusion of Individual Borrowers**  
The focus on group-based lending sometimes leaves out potential clients—such as small traders or skilled workers—who could benefit from individual loans but do not fit group-lending criteria.
- Gaps in Staff Capacity**  
Many field staff need more training in digital tools, client assessment, and portfolio management. Limited skills and high workload affect the quality of client support and loan monitoring.
- Weak Physical and Technological Infrastructure**  
Branches in remote areas often lack strong internet, updated devices, or proper office facilities. This slows down data entry, digital reporting, and real-time decision-making.



## Steps Taken to Address the Challenges

- **Embrace Digital Transformation:** Adopt digital technologies, such as mobile financial services (MFS) and software based Loan Management Systems (LMS), to automate processes like loan disbursement and collection. This significantly reduces operational costs and improves efficiency.
- **Invest in Staff Training:** Retrain field officers to become digital ambassadors and financial advisors, shifting their role from simple cash collectors to promoters of digital services and financial education.
- **Innovating Loan Products:** Expand beyond standard microcredit to offer a wider range of financial products, including savings accounts, insurance, and specialized loans for education, healthcare, or housing.
- **Introduce Flexible Repayments:** Design loan repayment schedules that are flexible and align with the seasonal and irregular income patterns of clients, such as farmers, to reduce financial distress and default risk.

## Basic Information



## Voice of Transformation

Sabina Yesmin (Member Code 1358055) of Nupur Mohila Samity under Barobazar Branch, Churamonkathi Region, Jashore once lived a life filled with struggle. With her husband and children, she faced severe financial hardship and had very little means to improve her situation. Despite these challenges, Sabina was determined to build a better future. She started a small business, Regal Handicap & Dry Flowers, using minimal resources and her own hard work. Her journey changed when she received her first loan from RRF. With proper planning and dedication, she gradually expanded her business through each loan cycle. Today, with her 3rd cycle loan of 150,000 Tk, Sabina successfully manages her growing enterprise.

She now earns a stable income, supports her family with dignity, and proudly provides employment opportunities for other women in her community. Sabina's story demonstrates how resilience, opportunity, and microfinance can transform lives and inspire others.

1 NO POVERTY

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS



# FOREIGN REMITTANCE (INWARD)

Build Bangladesh Economy

🎯 To ensure safe and quick remittance delivery that strengthens rural livelihoods and promotes financial stability.

## Basic Information

**Supported by:**  
**Bank Asia PLC,**  
**Southeast Bank PLC.**  
**City Bank PLC**

**Ongoing:**  
**From 2009**  
**to till**

**Participants No.**  
**FY 24-25**  
**141**

**Amount**  
**Transfer FY 24-**  
**25**  
**BDT 68,33,408**

**Participants**  
**No. So far**  
**61083**

**Amount**  
**Transfer So far:**  
**BDT**  
**1,55,05,34,262**

**Area:**  
**All Working**  
**Area of RRF**

## Overview

RRF has been providing Remittance Inward services since 2009, in partnership with Bank Asia, Southeast Bank, and The City Bank. ensuring fast, reliable, and secure delivery of expatriate income through its microfinance branches. With the government's 2.5% incentive, this service supports low-income families, strengthens rural livelihoods, and contributes to national economic growth.



## Money Exchange Agencies



## Voice of Transformation

Marufa Khatun's husband sends remittances from abroad, and she now receives the money easily from a nearby RRF service point. She no longer needs to travel long distances, saving time and cost. With timely access to remittance support and With this steady income, Marufa gradually improved her livelihood—managing household expenses, ensuring her children's education, and becoming more financially secure.



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# RRF AGENT BANK

Make Access at The Doorstep

**To promote financial inclusion and economic empowerment by providing accessible, reliable, and convenient banking services to underserved rural communities.**

## Basic Information

<p><b>Supported by:</b> Mutual Trust Bank PLC &amp; RRF</p>	<p><b>Ongoing:</b> From 2018 to till</p>	<p><b>No. of A/C in FY 24-25:</b> <b>185</b> Female; 168 Male: 17</p>	<p><b>Net Balance FY 24-25:</b> <b>BDT 6,75,000</b></p>
<p><b>Net Balance:</b> <b>BDT 93,87,895</b></p>	<p><b>No. of A/C So far:</b> <b>2235</b> Female; 1221 Male: 1014</p>	<p><b>Staff:</b> <b>02</b></p>	<p><b>Area:</b> Jashore District (Satmile, Jashore sadar)</p>

## Major Challenges & Actions taken

- Challenges: Customer loyalty, transaction limits, agents not providing loans, and FDR rates are lower than others.
- Actions Taken: Float/overdraft facilities for agents, public awareness campaigns, arranging customer loans, and removing transaction limits.

## Overview

Since 2018, RRF has been operating an Agent Bank at Barinagar Bazar, Shatmaile, Jashore, providing essential financial services to underserved rural areas. The aim of RRF Agent Banking is to promote financial inclusion, ensure convenient access to banking, and empower marginalized communities economically. Now running for 6 years, this initiative has strengthened rural livelihoods by bridging the gap between traditional banks and the unbanked.

## Environment & Social Impact

- Environmental & Climate Efforts: Paperless transactions, uninterrupted service during climate events, community awareness campaigns.
- Social Inclusion & Gender: Women encouraged to open/manage accounts, economic empowerment, promotes gender equality, low-minimum savings accounts.

## Voice of Transformation

Abdul Karim, a fruit seller from Jashore, regularly saves his daily income through our Agent Bank. Later, he received a business loan from our branch via the agent outlet. With this support, he expanded his fruit business and increased his earnings. Today, he is living a more secure and improved life."



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8 DECENT WORK AND ECONOMIC GROWTH



## RECOVERY & ADVANCEMENT OF INFORMAL SECTOR EMPLOYMENT(RAISE)

Empower the people; Eradicate the poverty

**To promote the recovery and growth of informal sector micro-enterprises while creating sustainable employment for COVID-affected individuals and low-income youth.**

### Major Activities

- 01 Organized Business Management and Entrepreneurs Development Training for low income youth and Microentrepreneurs.
- 02 Provide Loan on low interest, among 588 low income youth.  
Selection of master craftsman and organized orientation session for them.
- 03 Organized Apprentices training for 6 months long on 21 different Trade.
- 04 Arrange Recognition of Prior Learning (RPL) Assessment for 12 apprentice. They Got certificate from National Skill Development Authority.
- 05 Prior Level Assessment has done for 130 apprentices & Refresher training arrange for 50 MCPs
- 06 Arrange Community Outreach Programme with 828 community people under Microfinance Branch.
- 07 Engaged 85 apprentice in different Job service.
- 08 Arrange Community Outreach Programme with 828 community people under Microfinance Branch.

### Overview

The RAISE (Recovery & Advancement of Informal Sector Employment) Project, initiated by PKSF in February 2022 with support from the World Bank, focuses on strengthening micro-entrepreneurs in Bangladesh's urban and peri-urban informal sectors. The project addresses gaps in financial access, skills, and gender inclusion, particularly for COVID-affected individuals and low-income youth. By providing targeted training, financial support, and apprenticeship opportunities, RAISE aims to help micro-enterprises recover, build entrepreneurial capacity, and create sustainable employment pathways.

### Specific Objectives

- 01 To Restore the Covid 19 affected micro-enterprise Business by developing capacities of Micro-entrepreneurs of urban and peri urban areas providing inclusive finance.
- 02 To enhance capacities and productivity of youth and young micro-entrepreneurs in the formal sector by developing their capacities and providing inclusive finance.
- 03 To engage youth from low income household in sustainable employment through apprenticeship program.

## Achievements in FY 24-25

01

### Training and Capacity Building

- Youth and Micro-**Entrepreneurs Trained: 588** participants aged 18-35 received BME training covering leadership, planning, accounting, monitoring, and market analysis.
- **Apprenticeship Training: 240** youths completed six-month hands-on training in trades like motor mechanics, ICT, mobile servicing, web design, food & beverage, and mechanized farming.

02

### Skills Recognition

- **Recognition of Prior Learning (RPL): 12 apprentices** assessed and certified by the National Skill Development Authority, validating their skills and enabling career advancement.
- **Master Craftsman Orientation: 20 master craftspeople** received orientation sessions to enhance mentoring and business skills.

03

### Financial Support and Business Enhancement

- **Startup Capital Provided: 9 apprentices** received funds to launch businesses and pursue entrepreneurship.
- **Business Enhancement Loans: 12 master craftspeople** received low-interest loans to grow and strengthen their enterprises.

04

### Outreach and Engagement

- Community Outreach & Psychometric Profiling: **828 individuals participated**, helping identify skills, interests, and employment opportunities.
- **Job Placement Support: 85 apprentices** engaged in various jobs, with 68% securing employment after training.

05

### Continuous Learning

- **Refresher Training: 50 master craftspeople** received additional sessions to update skills and mentoring capabilities.

## RAISE Loan Information

In this FY 24-25 **BDT 115851180** disbursed to **1114 borrower** under AGROSHAR-RAISE loan component

## Inclusive Social & Environmental Impact

- **Empowerment of Youth and Micro-Entrepreneurs:** Training and financial support have enabled 588 young entrepreneurs to gain confidence, improve business management skills, and make independent economic decisions.
- **Enhanced Employability:** Apprenticeship programs for 240 youths have provided practical skills, resulting in 68% securing employment, reducing youth unemployment, and improving livelihoods.
- **Recognition and Validation of Skills:** Certification through the Recognition of Prior Learning (RPL) has formalized the skills of 12 apprentices, increasing their social and professional credibility.
- **Wide Reach and Gender Inclusion:** The RAISE project has benefited 3,389 individuals, of which 2,866 are women, demonstrating strong gender-inclusive outreach.
- **Community Development:** Outreach activities and psychometric profiling of 828 individuals have strengthened community networks, identified local talent, and encouraged collective participation in economic activities.
- **Job Creation and Sustainable Livelihoods:** Loans and startup capital have enabled beneficiaries to establish or expand businesses, generating employment and fostering self-reliance within communities.

## Actions Taken to Overcome Challenges

- The PIU staff committed to extra effort and close monitoring to ensure smooth implementation of all activities.
- Apprentices were motivated and counseled to maintain attendance and complete training programs.
- Scheduling was adjusted where possible to reduce burden on beneficiaries, improving participation and retention.
- Strengthened communication and follow-up mechanisms to track progress and address issues promptly.



## Major Challenges

- **Limited human resources:** The Project Implementation Unit (PIU) has only 4 staff members, making it difficult to manage and execute all activities efficiently.
- **Apprentice dropout:** Some apprentices left the program before completion, affecting training outcomes and project targets.
- **Time constraints:** Certain activities, such as extended training programs, can be challenging for beneficiaries to attend regularly due to personal or work commitments.
- **Coordination and logistics:** Managing multiple activities across urban and peri-urban areas posed challenges in scheduling, monitoring, and follow-up.

## Lessons Learned

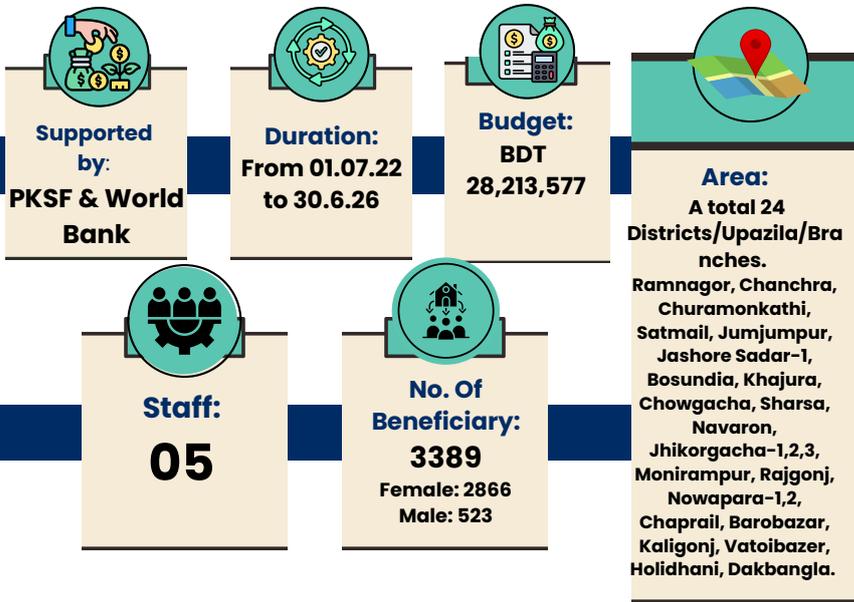
- Training duration should be reviewed and optimized to balance learning and participants' availability.
- Additional staff or volunteers could enhance implementation capacity, ensuring activities are delivered efficiently.
- Continuous mentoring and engagement of apprentices helps reduce dropout and increases skill absorption.
- Incorporating flexible training schedules and modular sessions can improve retention and completion rates.

## Community Participation & Stakeholder Involvement

Community participation and stakeholder involvement are key to the success of the RAISE project. By actively engaging local residents, youth, micro-entrepreneurs, and partner organizations, the project ensures that activities meet real community needs.



### Basic Information



### Voice of Transformation

Sumon Majumdar of Rupdia village, Jashore, revived his family's wooden craftsmanship business after his father fell seriously ill. Forced to leave school, Sumon gained eight years of experience in other factories before restarting his father's enterprise with limited capital. Facing severe financial challenges, he received a low-interest loan of 2 lakh Taka and completed a 16-day Business Management training under the RAISE project.

With RRF's support and dedication to quality, Sumon secured a regular contract with PRAN-RFL and now employs seven local youths. His monthly sales reach 3-4 lakh Taka, yielding profits of 35-40 thousand Taka.



Having successfully repaid his first loan, he has taken a second loan of 3 lakh Taka to modernize his factory and expand employment opportunities. Sumon's journey exemplifies resilience, entrepreneurship, and the transformative impact of microfinanc