



Ongoing Programmes of CARSA Microfinance

INCOME GENERATING ACTIVITIES: MICROCREDIT

Background of the Program:

CARSA believes that without economic development and solvency of the resource-poor beneficiaries, no macro level development initiatives can be sustainable. Moreover, easy access to capital is a precondition to initiate any economic activity. The Microfinance program of CARSA is working with the poor people of Bangladesh especially women in order to overcome poverty. It is a mechanism to make resources available to those who did not have access to resources from institutional sources such as the commercial banks.

From its inception CARSA emphasized on assisting local people, especially women, to secure income through their own efforts. In 1996 CARSA started this program with one unit and several hundred members. Based on successful operation in the preceding years and to retain the overall growth of the organization, CARSA management decided to carry on its expansion plan of microfinance program in more urban and rural areas by enrolling more distressed women, making credit available to the urban and rural poor enabling them to engage in different income generating activities, which in turn, enables them to become economically self-reliant. Through this process, CARSA proved itself a cost effective, sustainable, reliable financial service provider for employment and income generating activities of the poor.



Till now CARSA has organized more than 24817 members in about 1834 groups under this program, of whom more than 95% are women. Now this program covers 124 unions of 17 thanas of Madaripur, Shariatpur, Faridpur, Gopalganj and Barisal districts (Up to June, 2024). CARSA initiated this program with the help of ASA, but now it is mainly funded by Palli Karma-Sahayak Foundation (PKSF). Since 1997 CARSA has been

working as one of the partner organizations of PKSF.

Specific Objectives of Micro Credit Programmes:

1. Increase income of the member-beneficiaries.
2. To improve social status, through awareness development.
3. To involve women as economic performers by utilization of funds, increase savings and involve the whole family in income generating activities.
4. Through proper use of loans increasing the income level of the poor.
5. To create responsibility for each group member, generate income for poor families, improve leadership quality and also increase professional skill.
6. Upgrading the living standard of the poor families through creating employment opportunities for the rural poor.

Types of Micro Finance of CARSA:

1. Jagoron (Rural Micro Credit Loan).
2. Agrasor (Micro Enterprise Loan)
3. Shufalan (Seasonal, Agricultural Loan)
4. Buniud (Ultra Poor Program Loan).

1. JAGORON LOAN:

Jagoron is the name of a credit instrument of CARSA to initiate household-based enterprise development. Under this programme, borrowers are encouraged to undertake family-based income generating activities. The loan is intended to allow rural and urban poor households to finance their economic activities and build a strong capital base. Major sectors covered under Jagoron are crops, livestock and small trade. Jagoron Loans range from BDT 51,000 to BDT 1,20,000, depending on the economic activity, the borrower's management capacity, and demand for the product and/or services in the market. Duration of this type of loan is repayable within a year in 46 installments and borrowers can repay by weekly/monthly installment.



Objective of the Program:

- Organize the poor and underprivileged target population into groups and make them conscious through different issue-based discussions during the group meetings;
- Assist the target beneficiaries in accumulation of small group savings with a view to capital formation;
- Provide micro credit support the group members for running income generation and self-employment activities for enhancing their family income and thus improving their socio-economic status;
- Give priority to the women in development efforts and directly involve them in the production process and assist in creating opportunities of earning extra income;
- Support enhancement of women empowerment;

- Make the rural poor target people skilled through imparting training on poultry, cow rearing, beef fattening, goat rearing, fish cultivation, vegetable gardening, various handicrafts and cottage industries;
- Make the rural target poor people self-reliant through small trades and motivate and mobilize the unemployed youth group to become employed.

Target Group:

Rural poor and marginalized people, especially the rural women.

Main Activities under the Program:

- Provide credit support to targeted people/Group members;
- Collection of savings from the group members;
- Provide training to group members on different IGAs;
- Conduct awareness on socio-economic issues.

In 2023-2024 at the end of June 2024a total of Tk. 37,91,60,000/- was disbursed among 7075 members with an average loan size of Tk. 53,592/- achieving a recovery rate of 97%.

2. AGROSOR LOAN:

Project Background:

Agrosor is an effort to develop Micro Enterprise and contribute to employment generation and economic development. The programme was developed to extend its financial services to the members who are undertaking economic activities that require bigger amount of capital. While the Jagoron loan is not effective for initiating micro-enterprise, the Agrosor Loan is rather more effective there. While implementing the Jagoron program, CARSA observed that the micro-credit alone cannot ensure overall development of the rural poor; many small entrepreneurs, craftsmen and skilled workers in the rural areas remain idle at times struggling to overcome their sufferings due to scarcity of capital.

Agrosor loans are individual loans that are assessed on the basis of household cash flow, business projections and the reputation of the borrower amongst her/his business peers/in the community. The Agrosor loan is given to the members who are willing to invest in a running business to enhance income and generate employment. The size of the loan depends on the size of the businesses and the comparative advantages that the entrepreneurs have. With the Agrosor loan borrowers are expected both to provide equity and generate wage labor employment (other than family labor). Based on the realization that financial support to them would help promote their business/enterprises, CARSA took up the Agrosor Loan program according to the guidelines of PKSF.

Project Goal: The goal of the project is to promote small entrepreneur.

Objective of the Project:

The objective of the project is to provide capital support to the small entrepreneur for developing their existing business.

Target Group:

Graduated group members of Jagoron program.

Main Activities under the Program:

- Provide loan to progressive members of groups;
- Give the group members awareness on socio-economic issues.

Micro-enterprise loans range between BDT 1,21,000 – BDT 15,00,000, which is repayable among one or two years by weekly 46 installments and monthly 12 installments. In 2023-2024, a total of 3233 members received Tk. 78,08,22,000/-, a recovery rate of 97%.

3.BUNIAD LOAN:**Program Background:**

The ultra-poor, also known as poorest of the poor, are often left out of the mainstream credit program because of the perceived belief that they are of high risk to loan repayment. On the contrary, the ultra-poor people voluntarily exclude themselves from microcredit at times because of the fear of not being able to repay in time and getting further indebted. To better understand these vulnerable groups CARSA undertook this program.

Goal of the Program:

The goal of this program is to bring the ultra-poor people into the mainstream of development.

Objective of the Program:

The main objective of Buniad is to support the ultra-poor people in such a way so that they become capable of creating sustainable income opportunities and human dignity as well as they can lift out of extreme poverty.

Target Group/People:

Ultra poor people e.g. professional beggar, divorced women, widow, parents of child labour, sex worker, seasonal laborers, marginal farmers and people living in and around areas affected by river erosion, floating people etc.

Activities under the Program:

- Provide flexible microcredit to the ultra-poor members of groups;
- Conduct IGA wise training for ultra-poor members;
- Aware the group members on socio-economic issues.

In 2023-2024, in total Tk. 3,13,85,000/- was disbursed among 1196 borrowers and achieving a recovery rate of 98%.

4.SUFOLON (AGRICULTURE SECTOR SEASONAL MICROCREDIT):**Project Background:**

Sufolon is the seasonal agriculture loan product. The main aim of the program has been designed to improve the livelihoods and food security of graduated members of the Jagoron program and to empower the women at family and society level. The objective of the program is to create sustainable income generating activities through the Agriculture sector.

For this purpose, CARSA started an optional loan scheme namely Sufolon for the credit holders provide support for different agricultural activities mainly for various crop cultivation and beef fattening according to the guidelines of PKSF.

Goal of the Project:

The goal of the program is to improve livelihoods and food security of the graduated group members through providing loans to agri-related IGAs.

Objective of the Project:

The objective of the project is to create sustainable income generating activities through the Agriculture sector.

Target Group/People:

Small and marginal farmers among the group members.

Activities under the Project:

- Provide flexible loan to small and marginal farmers;
- The group members are given Awareness on socio-economic issues.

The loan ceiling is from BDT 10,000 – BDT 50,000. Maximum duration of the seasonal agriculture loan is 6 months depending on the activity, land-holding etc. and the farmers repay the total loan amount by a single installment after harvesting the crops/selling the product. The product is very popular among the borrowers.

In 2023-2024, Tk. 12,30,47,000/- was disbursed among 2590 borrowers and a recovery rate of 99 %.

Geographical Coverage of the Microfinance Program:

Presently CARSA is operating its Microfinance program in 17 Upazilas of 5 Districts. Details geographical coverage is shown in the table below.

Sl. No.	District	Upazila	Unions
1	Madaripur	04	45
2	Shariatpur	07	42
3	Faridpur	03	25
4	Barisal	01	02
5	Gopalganj	02	08
	Total	17	122

Present No. of Branches, Samities, Members and Borrowers of Microfinance Program.

Sl.	Particulars	Number
1	No. of Branches	19
2	No. of Groups (Samities)	1,834
3	No. of Members	24,817
4	No. of Borrowers	17,150