

What we do - Social enterprises

BRAC is a development success story. Founded in Bangladesh, we are one of the largest non-governmental organisations in the world: an innovator in poverty eradication and an outstanding social enterprise. Best known for our community-based approach and the scale of our programmes, we have created opportunities for 138 million people - mostly women - to set in motion lasting change.

The 'BRAC model' is a collaborative network of enterprises, development programmes and investments, all of which together serve the comprehensive vision and objective of empowering the poor, alleviating social imbalance and enhancing financial sustainability. In Bangladesh BRAC operates 16 social enterprises.



Credit: BRAC
Caption: BRAC Horticulture Enterprise, Dhaka.

Our model

BRAC social enterprises provide value chain linkages, support employment for poor communities and generate profits which contribute to our development programmes. Aspiring to meet the triple bottom line we incorporate serving the needs of the poor and being friendly to the planet with making a profit.

Profitable and scalable businesses make significant contributions to the local economy through market linkages, entrepreneurial activity and better employment opportunities. BRAC's enterprises, currently based in Bangladesh, are committed to ending conditions of poverty and also generate significant revenues, 50 per cent of which are reinvested into BRAC development activities.

Currently our development activities are **73 per cent self-financed** from profits made through BRAC social enterprises and microfinance operations which significantly reduces our donor dependency. We especially cater for economically excluded communities by creating and developing markets for those who previously didn't have access.

BRAC aims to alleviate poverty via economic empowerment by serving society in a profitable manner through the creation of value chains and sustainable markets. To stimulate social and economic change we go beyond just wages. BRAC is on course to become increasingly self-financed and to channel more resources back into creating livelihoods.

"There are two primary choices in life: to accept conditions as they exist, or accept the responsibility for changing them. And we have chosen the latter."

Ali Rumea

Chairman of BRAC EPL Investments Ltd

In the news

How the 'most astounding social enterprise in the world' approaches development

"The key feature of our social enterprises is our willingness to accept low profit margins and shoulder considerable risk."

(The Guardian, May 2015)

When Collaboration Doesn't Make Sense

"The Apple of the social sector is BRAC, which works to improve the lives of the poor in Bangladesh and throughout Asia through socially minded, vertical integration."

(Stanford Social Innovation Review, May 2014)



Although BRAC enterprises aim for financial returns while fulfilling the social and environmental missions, not all enterprises are equally profitable. The cumulative surplus from BRAC enterprises combined are used to re-invest in the BRAC enterprises and support the development programmes, on an as needed basis, not on a pro-rata basis across enterprises.

Caption: Mohammad Saidur Rehman with his workers in a pond where he farms fingerlings

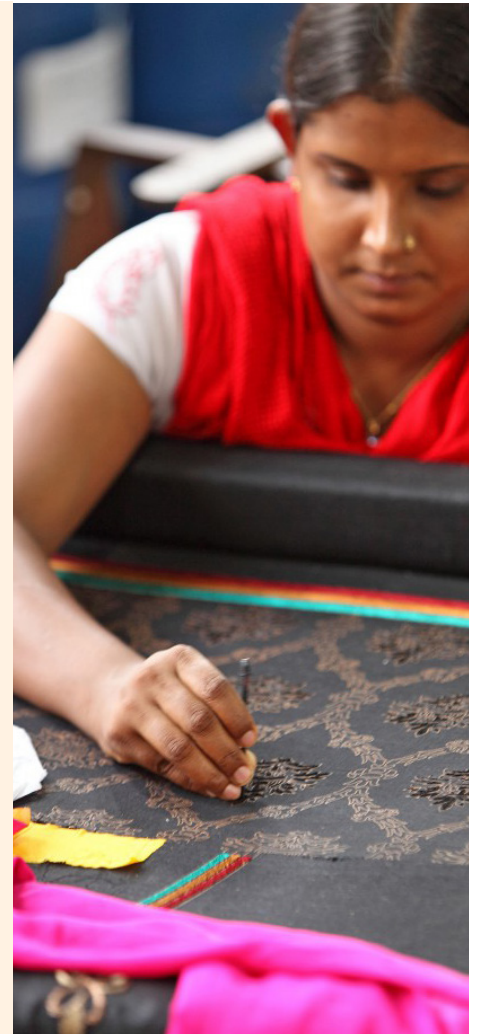
Aarong

Aarong or 'village fair' is Bangladesh's most popular lifestyle retail chain. Through the commercialisation of rural Bangladeshi arts and crafts, Aarong, BRAC's flagship social enterprise became a national retail outlet and set a milestone in Bangladesh e-commerce.

Aarong emerged from the need of craftsmen and artisans to have somewhere to sell their products. Today, BRAC connects tens of thousands of rural artisans to a national audience, in an environment that nurtures their skills while providing access to finance, health and education programmes. These complimentary additions wrap around Aarong's work in establishing market linkages, reviving crafts and applying them in the modern marketplace.

To stimulate social and economic change we go beyond wages. Aarong's Artisan Development Initiative (ADI) provides holistic support – be it the provision of legal aid, hygiene and sanitation awareness or ante and post-natal care. Support like this has so far helped artisans to save millions of Taka via BRAC microfinance implemented through over 450 village organisations. Simultaneously, capacity building trainings teach artisans basic accountancy and managerial skills to support their continued development.

Like much of BRAC's work, women are of central importance, Nurjahan Begum is one such woman, an artisan and client of BRAC's holistic services who describes the BRAC centre in the village as her second home. She is from Kochuya, Jessore and is managing 50 artisans at the sub centre, which is a safe working environment for women. They are provided with legal aid services, able to openly discuss important issues affecting women and access microfinance and health care.



Caption: Over the last thirty years, the art of Nakshi Kantha has increasingly developed, with designers using the particular stitch in more modern uses and interpretations

Living Goods, taking social enterprise model to Uganda

In 2009 BRAC partnered with Living Goods in Uganda to establish a system to deliver basic healthcare that reduces mortality and morbidity for children under five by 30 per cent. Filling the gap between poor communities and public health services and by paying for itself this programme has the potential to scale rapidly throughout Sub Saharan Africa and beyond.

The model targets both health outcomes and business outcomes by empowering women health entrepreneurs who generate profits through the sale of subsidised consumer health goods. Aiming to address vital missing links in local health systems with a cadre of self-funding community health workers and therefore securing the supply of health commodities we will extend, support, and connect with existing public health mechanisms. The partnership is currently scaling up its operations to cover 3.2 million clients through 4,000 health workers.

BRAC's past performance examples

Social Enterprise	Logo	No of Employees	Annual Revenue	Description
Aarong		3,238	£51.8 million	From clay pots to diamond jewellery, Aarong's vast range of innovative products, backed by robust supply chains and distribution networks, makes Aarong a household brand in Bangladesh
Seed		503	£14.6 million	We have established two modern scientific automatic seed processing and packing plants in Sreepur, Gazipur and Sherpur, Bogra where annual capacity is around 5,500 Metric Ton
Dairy		1,618	£28.1 million	BRAC Dairy processes 170,000 litres of milk per day and holds 22 per cent of the national market share. It is one of the largest BRAC enterprises
Artificial Insemination		106	£2.2 million	BRAC artificial insemination enterprise has a bull station in Mymensingh with 72 bulls producing semen which is distributed to depots across Bangladesh
Chicken		176	£4.2 million	BRAC Chicken acquires its supply from BRAC commercial broiler farms and sells the prepared meat to a variety of restaurants, hotels and supermarkets
Poultry Farms		239	£2.1 million	To introduce both poultry vaccinations and high-yielding varieties of poultry into the Bangladeshi market, BRAC initiated its poultry project
Poultry Rearing		69	£0.8million	To introduce both poultry vaccinations and high-yielding varieties of poultry into the Bangladeshi market, BRAC initiated its poultry project
Feed Mills		216	£11.1 million	BRAC Feed Mills work with independent dealers. The sales team coordinates with the dealers, and farmers receive feed from the dealers
Printing Pack		136	£2.7 million	BRAC's enterprises demand a high quantity of quality waterproof sealable packaging which the BRAC Printing Pack alone meets
SNDK		231	£0.8 million	Providing a solution for female personal hygiene in poor households across the country through the Nirapod Sanitary Napkin and Kollani Delivery Kit enterprise
Tea Estates		64	£0.5million	Four tea estates were set up to serve as model estates that would improve the lives of the tea labourers by providing health care and education
Salt		158	£0.6 million	Iodine deficiency in rural populations led BRAC to start a salt making enterprise in Cox's Bazaar
Handmade Paper		80	£0.1 million	Made for the corporate urban market to recycle their paper waste, the project also provides jobs for local women at the production facility
Cold Storage		18	£0.2 million	BRAC Cold Storage has enough space for 60,000 bags of potatoes, each bag holding approximately 80 kilogrammes

Sericulture



397

£0.4 million

Currently BRAC has 13 cocoon production centres and two silkworm rearing centres

Fisheries



140

£1.5 Million

Making quality fish spawn easily available to the fish cultivators of rural Bangladesh

Total

7325

£121 million

Enterprise contribution to BRAC development

Year	Contribution
2010	£4.08 million
2011	£4.38 million
2012	£5.08 million
2013	£5.74 million
2014	£6.67 million

Although every effort has been made to verify the accuracy of this information, readers are urged to check independently on matters of specific interest and report any discrepancies to info@bracuk.net. This document was updated on 30 November 2015 and will be revised annually.

What's next?

We are now well placed to replicate and adapt our successful business model beyond Bangladesh to South Asia and Africa. From exploring new frontiers in the mobile money space to innovations in microfinance and market-based solutions to empower local entrepreneurs, we are moving to a more sustainable funding strategy.

A key example is how BRAC will expand its successful social enterprise model in collaboration with Living Goods that has both impacted health outcomes and empowered local women entrepreneurs and their businesses in Uganda. Versions of this market-oriented model will potentially be replicated in Sierra Leone, Liberia and Myanmar.



Caption: BRAC Poultry has contributed to the growth of the poultry industry in Bangladesh and created income-generating activities for millions of people

Credit: BRAC

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