



Annual Report

FY2012

BRAC USA

BRACworldwide

5.54 million micro-borrowers with a cumulative loan disbursement of
\$9.73 billion

1.11 million children currently enrolled in BRAC's
38,400 primary and pre-primary schools with
9.55 million graduates

105,000 community health promoters providing essential healthcare worldwide

25 million people have access to clean toilets thanks to BRAC's sanitation entrepreneurs

275,000 adolescent girls in BRAC's youth empowerment clubs

1.39 million participants in BRAC's ultra-poor program

Figures as of June 2012

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Cover: Mrs. Khabitu Ally Mkude, a BRAC Model Farmer, on her farm outside Iringa, Tanzania.

Vision, Mission and Values



Our vision

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

Our Mission

Our mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programs that enable men and women to realise their potential.

Our Values

Innovation
Integrity
Inclusiveness
Effectiveness

Our Values

Innovation

BRAC has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in program design and strive to display global leadership in groundbreaking development initiatives.

Integrity

We value transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. We hold these to be the most essential elements of our work ethic.

Inclusiveness

We are committed to engaging, supporting and recognising the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.

Effectiveness

We value efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed program targets, and to improve and deepen the impact of our interventions.

Letter from the **Chair** and **CEO**



Kimera Mary, a BRAC model livestock rearer in Uganda, feeds one of her cows that help fund school fees for her grandchild.

The opportunity mindset

BRAC is a familiar name to those who work in international development – a success story of development done right, and by most measures the largest nongovernmental organisation (NGO) in the world. In the words of Amartya Sen, a Nobel laureate in economics, its achievements are “something close to a miracle.”

Yet despite the scale, depth and impact of this organization’s work, with massive programs in microfinance, healthcare, education, agriculture, and other areas too numerous to mention, it’s story is little known in richer countries, due in part to its roots in Bangladesh, a country so seldom in the sights of the Western media.

This is changing. The Economist recently took note of Bangladesh’s transformation, calling BRAC and other NGOs like it “the

real magic of Bangladesh.” BRAC now has operations in almost a dozen countries, with affiliates in the US and the UK. The good news is spreading, along with development knowledge coming from 40 years of experience – thanks, in part, to the efforts of BRAC USA.

Founded in 2006, BRAC USA exists to advance the global vision of BRAC – a vision of a world free of all forms of exploitation, where everyone has the opportunity to realize their potential. We’re reaching that goal thanks in part to donor support from North America mobilized by BRAC USA, augmented by our support services to BRAC programs and public education outreach.

One can describe the BRAC philosophy as an “opportunity mindset.” It’s often said that talent is distributed evenly around the world, with no regard for

class, wealth, race and nationality, but opportunity is not. For us to confront that challenges that face us, we need to redress this imbalance. We need to create the conditions that allow people’s latent potential to flourish. This is what we mean by an “opportunity mindset.”

Some may say the problems are too overwhelming. We say: Look at Momena, the woman profiled on page 13. She started with nothing before graduating from one of BRAC’s ultra-poor program. Now she owns four cows, three goats, 22 chickens, a small plot of land, a rickshaw van, a tube well for safe drinking water and a sanitary latrine.

When we hear stories like that, we don’t feel overwhelmed. We feel inspired. We hope you are too, and that you will join us as ambassadors for opportunity.



Lincoln Chen
Chair



Susan Davis
President & CEO

About BRAC



BRAC Founder and Chairperson Sir Fazle Hasan Abed (right) meets His Holiness the Dalai Lama in 2011.

solutions at scale

With over 100,000 employees reaching an estimated 126 million people, BRAC is the world's largest non-governmental organization

BRAC is a development success story, spreading antipoverty solutions born in Bangladesh to 10 other developing countries in Asia, Africa and the Caribbean, making it a global leader in providing opportunities for the world's poor. Originally the Bangladesh Rehabilitation Assistance Committee and later the Bangladesh Rural Advancement Committee, it is now formally known simply as BRAC.

BRAC believes the poor can become actors in history, not just passive recipients of other's aid. It invests in communities to catalyse lasting change and create an ecosystem in which the poor can seize control of their own lives. Of the world's top development and humanitarian relief organisations, BRAC is one of the few based in the global South.

About BRAC USA

BRAC USA, an independent affiliate launched in 2007, shares the same mission and vision as BRAC. We work to increase BRAC's visibility as a development success story, harnessing the power of its friends and mobilizing support for BRAC's growth around the world. BRAC USA is a US-registered tax-exempt non-profit organisation with 501(c)(3) status.

BRAC USA works in three main program areas:

- **Grantmaking:** With oversight from BRAC USA's independent board of directors, we make catalytic grants to BRAC programs on a strategic basis; we do not accept unsolicited proposals.
- **Strategic and program services:** Our staff provides strategic and program services to BRAC's operations around the world, helping BRAC to pilot, perfect and adapt its programs
- **Public education:** We tell the BRAC story through public education efforts in North America while facilitating knowledge exchange with others collaborating to end poverty around world

Since inception, BRAC USA has made 100 grants totaling \$46 million.

BRAC USA in Fiscal Year 2012:

Disbursed

16
grants

Totaling

\$18.1 million

To BRAC entities in

7
countries

Bangladesh, Uganda, Tanzania, South Sudan, Sierra Leone, Liberia and Pakistan (see page 20 for full list of grants)

In addition to new grants, strategic and program services and public education, we have **actively monitored grants** made in prior years while **evaluating** and **planning for new opportunities** to serve the poor.

Scaling up in Africa

Since first launching in Uganda and Tanzania in 2006, BRAC has brought solutions born in Bangladesh to five African countries. In 2012, BRAC USA continued to enhance and deepen its partnership with The MasterCard Foundation in Uganda, BRAC's largest operation in Africa. There, we are scaling up a holistic anti-poverty approach that includes microfinance plus livelihood development services in agriculture, poultry, livestock and health as well as education and youth empowerment, education, poultry, livestock, agriculture, and girls' empowerment – the latter through a network of girls' clubs called Empowerment and Livelihood for Adolescents, which is now 50,000 members strong.

Growing outreach

Thanks to the partnership with The MasterCard Foundation, which began in 2008, it is estimated that BRAC Uganda now reaches 2.8 million Ugandans. We are on track to reach more than 4 million, or 12 percent of the population, by 2015. In 2011, BRAC USA and The MasterCard Foundation enhanced their existing partnership with a \$25 million commitment, adding to a previous \$19.6 million commitment, to expand and deepen the impact of its microfinance and

Nagendo Joyce, 19, of Kyeveunza village, Uganda, with one of her three children. As a peer mentor in BRAC's Empowerment and Livelihoods for Adolescents program, she channels her experience to encourage other young girls to make informed decisions about family planning, education, and their careers.

livelihoods interventions.

Collaborative learning

One of the objectives of this partnership is to help BRAC document the long-term impact of its interventions with independent research, monitoring and evaluations, thus contributing to the spread of development knowledge and best practices to create prosperity for all.



Measuring impact

In one major assessment of its Empowerment and Livelihood for Adolescents program, involving researchers from London School of Economics, University College London and the World Bank, scholars found the following impacts via a randomized control trial:

- Two years after the start of the ELA program, fertility rates were 28.6% lower compared to a control sample, while condom usage notably among those participants who are sexually active
- Participants' reports of having sex unwillingly decreased by 83% from the baseline during a one year period, "the clearest marker for the program changing how empowered adolescent girls are in their relations with men"
- In treated communities, the likelihood of an adolescent girl being engaged in income generating activity increased by 35% over baseline levels, driven entirely by entrepreneurial self-employment activities as opposed to wage

employment

Next steps: Scholarships for talented youth

In 2013, BRAC and The MasterCard Foundation will co-create a new scholarships program with a collaborative design process as part of the MasterCard Foundation Scholars Program, which aims to provide students in Africa with the education and skills needed to work and succeed in the global economy. We have already begun the process of selecting thousands of talented youth to receive scholarships that will educate Uganda's future leaders.

Opposite page, top: Nagendo Joyce, age 19, of Kyeveunza village, Uganda, had a difficult adolescence starting with an infection caused by an unsanitary abortion that almost killed her at the age of 13. She is now raising three children and channelling her experience into peer mentorship for adolescent girls at BRAC's Empowerment and Livelihood for Adolescence program, a club program with 50,000 members in Uganda and more than 260,000 worldwide. Above: Joyce with her club members, outside their club.

The young women and girls of BRAC's Empowerment and Livelihoods for Adolescents Club in Kyeveunza village, Uganda.

Making steps to prosperity with microloans

Innovative, client focused and sustainable, the BRAC microfinance programme is a critical component of our holistic approach to support livelihoods. Over the course of the last four decades, BRAC has grown to become one of the world's largest providers of financial services to the poor, providing tools which millions can use for the betterment of their lives. BRAC USA, working with partners such as the Bill and Melinda Gates Foundation, Whole Planet Foundation, and others, supports the building of sustainable microfinance institutions for integrated development – offering clients the best opportunities available in terms of enterprise, education, healthcare, and the wide array of factors that cause poverty.



Hawa Abdalah is a microfinance borrower from Arusha, Tanzania.

The ladder of success

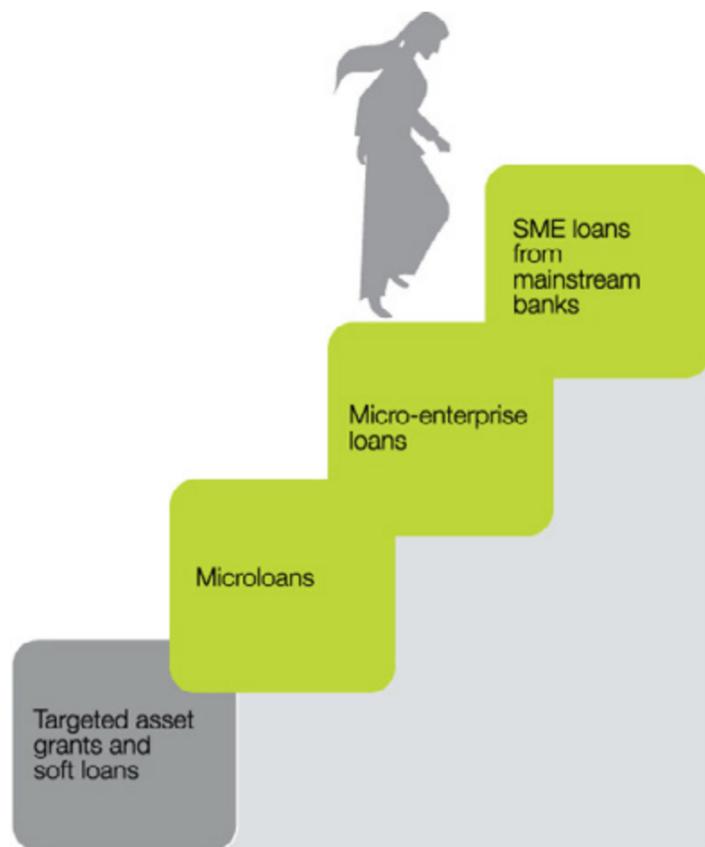
Hawa Abdalah is a microfinance borrower from Arusha, Tanzania. When her husband, the sole provider for the family, passed away in 2006, the family entered trying times. Earnings from selling vegetables amounted to less than \$1 a day. School for the children was out of the question.

Hawa began taking loans, first to sell sunflower oil, later to cultivate maize and beans so that she could increase her source of income. Now her oil business is booming, and she's living comfortably.

She's even bought land. Perhaps most importantly, her children are in school.

"I was trying very hard to change my conditions with the loans I took out from BRAC. Thankfully, I was successful, and my business is running very well," she says.

BRAC's graduated approach to economic development targets those at all points on the ladder of success, from targeted grants and soft loans up to larger bank loans for growing enterprises.



BRAC Model Farmer Mary Barnda waters her crops in Kakata, Liberia.

Growing partnerships in West Africa

In West Africa, BRAC has worked in Liberia and Sierra Leone since 2008, entering Liberia at the direct invitation of President Ellen Johnson Sirleaf, engaging with communities in both countries as they continue to re-build after civil wars that ended in 2002 and 2003. BRAC USA works with a consortium of partners, including Omidyar Network, Soros Economic Development Fund, Open Society Institute of West Africa and Humanity United, coordinating funding and equity investments to kick-start microfinance and NGO activities.



BRAC is better prepared and better positioned to work in very poor countries than anybody from the developing world

George Soros
Chairman
Open Society Institute

In both countries we have created new livelihood options working by training farmers and offering access to affordable inputs, such as seeds, fertilizer, and animal vaccinations. By training community health workers and expanding access to essential care, we have prevented some of the biggest killers of children such as malaria – including with our own diagnostic center in Freetown, Sierra Leone. Our activities touch the lives of an estimated 1.1 million people in both countries.

BRAC invests in the career development of these community-based agriculture and health promoters, who make extra income by providing vital but affordable goods and knowledge to their neighbours, with ongoing training and assistance.

To address the scarcity of lawyers in Sierra Leone, especially in provincial areas, a human rights and legal

empowerment program provides free legal aid and an alternative dispute resolution service through a network of community-based paralegals, who give advice and assistance in both civil and criminal matters such as cases of child neglect, domestic violence, rape, debt, and land disputes. In Sierra Leone, BRAC also launched a pilot version of its Empowerment and Livelihood for Adolescents program based on its success in Uganda, Tanzania and South Sudan, where it has nearly 60,000 members (see page 10).

Our work in Sierra Leone includes microfinance and small enterprise loan programs, combined with livelihood initiatives in poultry, livestock and agriculture. BRAC Sierra Leone also offers health and legal services. The team launched a pilot program for adolescent girls in 2012 with staff and knowledge gained in Uganda.



Members of a BRAC Social & Financial Empowerment for Adolescents Club in Bangladesh study geography using textbooks as well as new technology from the One Laptop per Child project.

The “Girl Effect” in action

BRAC is the world’s largest implementer of the Girl Effect, the Nike Foundation-led movement to harness the potential of adolescent girls to end poverty for themselves and the world.

The Empowerment and Livelihood for Adolescents program now counts close to 275,000 members in seven countries, with launches in Sierra Leone and Haiti last year. It utilizes a two-pronged approach that uses both financial and social empowerment of girls within the “safe space” of a club located within walking distance of the home.

Youth Learning Network

Working across borders, BRAC USA has played a strategic role in developing innovative strategies for scaling up holistic models for empowering young women and girls. In partnership with the Nike Foundation, we have launched a Girl Champion Network as a platform for BRAC employees to share knowledge and strategies, and draw upon external partners.

In February 2012, we helped facilitate a week-long Global Learning Meeting in Rajendrapur, Bangladesh, with 50 participants from 10 BRAC countries. The gathering helped catalyze the development of a youth strategy that serves as a roadmap for continued expansion of BRAC’s youth and girls programming.

We continue to facilitate cross-country learning and exchanges, encouraging “girl champions” to represent BRAC and innovate in, among other areas, mental health, emotional intelligence, employable skills, job training and sexual and reproductive health.

Transforming markets through social enterprise

BRAC’s approach to social enterprise can be summed up by modifying a familiar adage: BRAC doesn’t just teach a man or woman to fish; by creating social enterprises and taking them to scale, it changes the fishing sector so it no longer gives the poor a raw deal.

In Bangladesh, more than 70 percent of BRAC’s funding comes from its own activities, including microfinance and social enterprises. BRAC USA seeks out partners with a commitment to building sustainable institutions to help us do in Africa and elsewhere what BRAC has done in Bangladesh.

BRAC ENTERPRISES

- Aarong
- BRAC Dairy
- BRAC Artificial Insemination
- BRAC Poultry
- BRAC Poultry Rearing Enterprise
- BRAC Feed Mills
- BRAC Chicken
- BRAC Fisheries
- BRAC Salt
- BRAC Sanitary Napkin and Delivery Kit
- BRAC Cold Storage
- BRAC Tea Estates
- BRAC Sericulture
- BRAC Printers
- BRAC Printing Pack
- Green enterprises:
- BRAC Bio-gas (pilot)
- BRAC Solar
- BRAC Recycled Handmade Paper
- BRAC Nursery

BRAC INVESTMENTS

- BRAC Subsidiaries and Associates:
- BRAC Bank Limited
- Delta BRAC Housing Finance Corp. Ltd.
- BRACNet
- BRAC Soft
- BRAC Bank Subsidiaries and Associates:
- BRAC Saajan Exchange Ltd
- BRAC EPL Stock Brokerage Limited
- BRAC EPL Investments Limited
- b-Kash Limited
- BRAC Asset Management Company Ltd
- BRAC Bank Associates
- CSR Centre
- Dun & Bradstreet Rating Agency Bangladesh
- IIDFC

An Aarong Dairy milk collection truck, part of a fleet that collects 100,000 liters of milk per day as part of BRAC’s Dairy and Food Project connecting rural farmers to larger markets.



Going to market

Owned by BRAC, the fashion retailer Aarong (which means “market” in Bengali) is one of Bangladesh’s largest chains. This chic brand began as a humble means to an end for a quiet organization fighting to uphold the dignity of marginalized people, in this case, silk farmers; it is now a massive clothing retailer with a dominant share of the handicrafts market, supporting about 65,000 rural artisans, 80% of them women, in 2,000 villages across Bangladesh. It is one of 18 BRAC social enterprises in Bangladesh.

Beyond Bangladesh

Other enterprise solutions are slowly gaining traction outside Bangladesh. In Uganda, a pilot seed enterprise supplies inputs to thousands of micro-franchised seed distributors. The enterprise relies on a micro-franchised distribution network that includes model farmers and community agriculture promoters, who are expected to transfer knowledge and generate demand in the community for new crops as well as livestock veterinary services.

With assistance from BRAC USA, this business model is spreading to West Africa. In 2012, BRAC trained 978 model farmers and 419 CAPs in Liberia and Sierra Leone, who in turn worked with an estimated 13,400 other farmers. We have helped develop a business plan for seed processing plant that will further the spread of BRAC’s social enterprise solutions in West Africa while giving farmers access to high-yield, disease-resistant seeds.



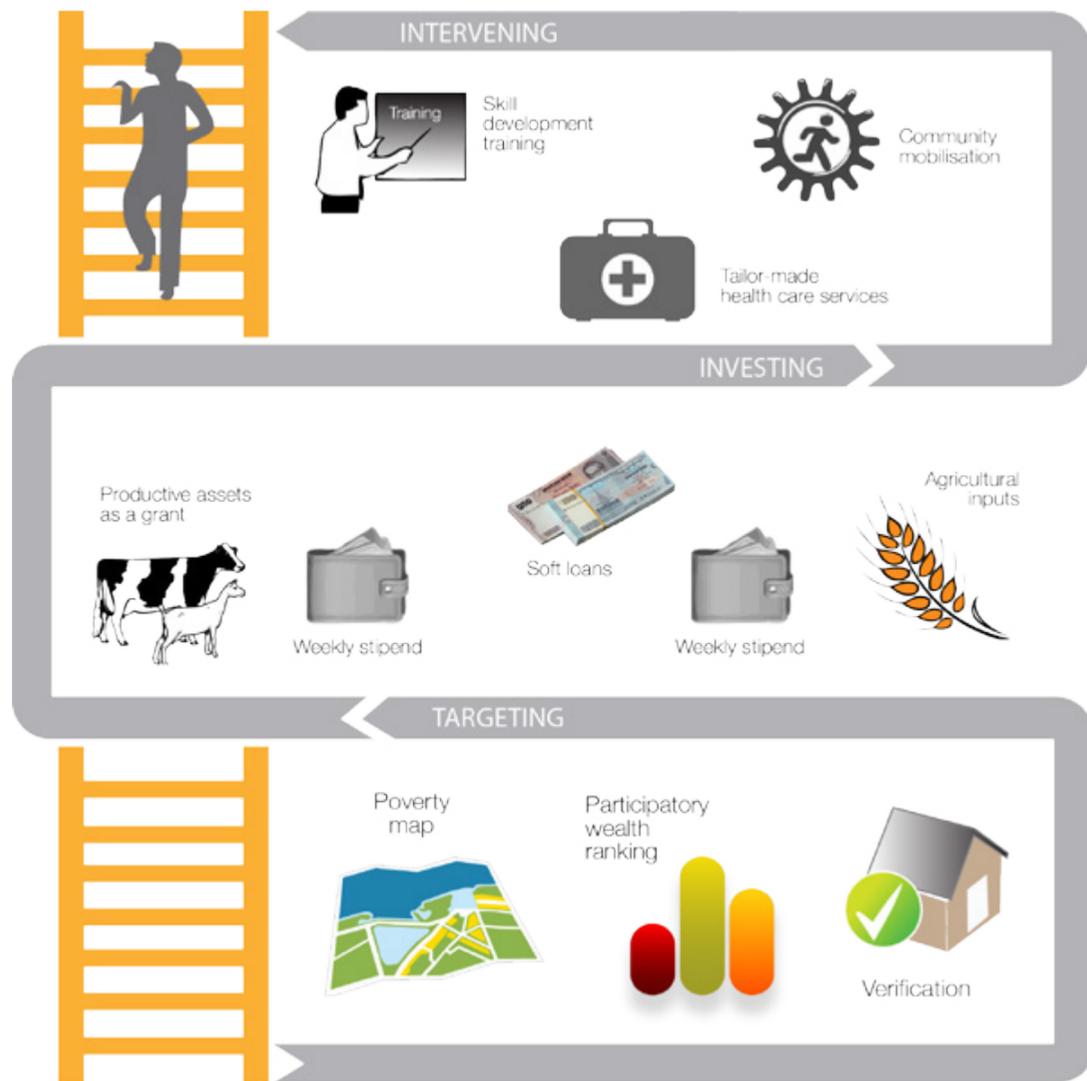
BRAC is the most astounding social enterprise in the world.

Paul Collier
Author of *The Bottom Billion*

BRAC USA has supported Aarong’s development by managing a grant from the Bill and Melinda Gates Foundation to improve the livelihood opportunities for workers engaged with Aarong and the Aisha Abed Foundation, helping it build its technical and production capacity, develop internal quality control standards, and create an e-commerce strategy.

Graduating from extreme poverty

BRAC's program to "graduate" the ultra-poor out of extreme poverty is one of its many groundbreaking approaches to solving pressing global problems. It targets those too poor to escape the clutches of absolute poverty through market-based interventions like microfinance.



Reaching the bottom rung

Through an 18- to 24-month period of intensive training, hand-holding, and financial support, participants are brought to the bottom rung of the economic ladder, where they can become self-sufficient enough to advance further on their own. The desired outcome, reached in about 90 percent of cases so far, is to graduate the household from extreme poverty to a level at which they can benefit from more traditional development

programming like microfinance or agriculture extension.

Knowledge Sharing

BRAC's methodology has changed how people deal with extreme poverty. With facilitation from BRAC USA, the approach is now being adapted by other organizations in eight countries around the world under the umbrella of CGAP and the Ford Foundation. With funding from The MasterCard Foundation,

BRAC USA is supporting the BRAC Development Institute based at BRAC University in Dhaka to provide research, monitoring, and technical assistance to a growing network of organizations piloting graduation programs in countries outside Bangladesh. BRAC USA organized a Replace with: a global conference at the World Bank in July 2012 to facilitate exchange of knowledge and build community among these pioneering organizations and other research and development entities.



Momena, a graduate of BRAC's ultra-poor program, now a member of a BRAC Village Organization through which she can access savings and loans.

Momena's story

In 2003, Momena was selected as a vulnerable ultra-poor participant by BRAC and received two cattle to commence her business. Through her hard work, Momena began to make an earning by selling the cow's milk, receiving a daily income of about 30 US cents. From this money, she bought chickens to add to her income with the selling of eggs. Soon after, with the money from the sale of eggs, milk, and cow dung she bought a goat. This way she managed to ensure a steady flow of income which, though not quite large, was enough to provide sustenance for her family. After 20 months in BRAC's ultra-poor program, Momena received confidence building training to learn more about her rights and access in the community, and how she could engage herself in more income generation.

As soon as she graduated from the program, she joined BRAC's village organisation, where she could regularly save money and take out loans when needed. Today, Momena owns four cows, three goats, 22 chickens, about 1,000 square metres of leased and 162 square metres of her own land, one rickshaw van, three tin shed rooms, a tube well for safe drinking water and a sanitary latrine. All this was accomplished with the help of the ultra poor program, and later on from access to microfinance, which gave her the confidence to take out loans to buy and lease land to add to her income-generating activities and strengthen her asset base. The carefully designed support package from BRAC's ultra-poor program and its effort in graduating her into the mainstream program has changed her life and given her the freedom to move forward and continue her achievements.



Rushada Shahad, a sanitation entrepreneur trained and financed by BRAC.

Better sanitation through entrepreneurship

Through people like Rushada (above), BRAC's WASH (water, sanitation and hygiene) program reaches 25.5 million people – roughly the population of the state of Texas. Its growth is now fueled by a three-year grant of \$11 million from the Bill and Melinda Gates Foundation. Managed by BRAC USA, the grant targets hard-to-reach households trapped in extreme poverty. The aim is to eliminate open defecation in Bangladesh.



Not your typical home improvements showroom

BRAC has done what few others have. They have achieved success on a massive scale, bringing life-saving health programs to millions of the world's poorest people.

Bill Gates
Co-chair, Bill & Melinda Gates Foundation

Rushada Shahad, pictured above, doesn't run your typical home improvement showroom. You'll find no stainless steel fixtures and chrome faucets in her backyard in the Bhaluka subdistrict of rural Bangladesh, where she runs a business selling latrine slabs and pillars. But what this enterprise and others like it lack in luxury, they make up for in impact, providing sanitation to tens of millions of Bangladesh's rural poor.

Rushada is a "sanitation entrepreneur" trained and financed by BRAC. About 2.6 billion people around the world lack access to basic sanitation, according to the United Nations. Lack of toilets perpetuates a vicious cycle of poverty and malnutrition, with lack of access to clean water and sanitation killing an estimated 1.5 million children under the age of five each year and children missing 443 million total school days annually due to related illnesses.

Adapting to climate change

With two-thirds of the country less than five meters above sea level, Bangladesh is known as ground zero for climate change. But it is also at the forefront of climate adaptation, with BRAC leading the way. BRAC's work in the area of climate change adaptation and disaster preparedness cuts across many areas. It operates the disaster, emergency response and climate change (DECC) program with support from the Bill and Melinda Gates Foundation, a grant that continues to be managed by BRAC USA. The program raises awareness among communities and educates them on the vulnerabilities of climate change specific to their areas, while developing standard operation procedures for emergency response. The program, which is currently training 18,000 BRAC staff, takes into account indigenous knowledge and blends it with modern technology to provide low-cost solutions as preventative measures to minimize losses.

BRAC USA's initial catalytic grant has spurred new innovations in climate change preparedness within BRAC and advanced its climate justice agenda. In 2012, a \$1 million grant from UN Women further reduced the vulnerability of women in disaster prone areas by focusing on sustainable livelihood alternatives. The program transforms women into change agents for their communities, giving them a greater role in shaping adaptation and mitigation measures.

BRAC's work in this area also includes agriculture and green enterprises, such as recycled handmade paper, solar panels and a nursery. Ongoing research initiatives at BRAC University's new Centre for Climate Change and Environmental Research at BRAC University focus on the impact of climate change on health, food security, migration and other areas.



Ashraf Ali Gazi in his flood-ravaged rice fields received a cash grant for 50 decimal of land and 3,500 taka by BRAC to invest in new farming supplies, including a new breed of rice.

Building resilience from the bottom up

The story of Ashraf Ali Gazi, a rice farmer in the Khulna district of Bangladesh, is the story of BRAC in a microcosm: From tragedy, a sense of hope and optimism is born.

In 2009, Bangladesh was hit by Cyclone Aila, which left about a million people homeless. One of them was Ashraf, pictured here. The tidal surges of the cyclone flooded all of Ashraf's crop land; the saline water laid waste to his rice fields, destroying not only his home but

the only source of livelihood for him and his family. He was the sole provider for four.

With training from BRAC staff, Ashraf began farming a new type of rice bred for greater tolerance for salinity. When it came time to harvest, he was amazed. Never in his life as a farmer had he seen such yields. From the surplus product, he was able to not only feed his family; he also bought two goats and could afford to send his children to school.

Learning and adapting for maximum impact

Constant research, monitoring and evaluation are part of BRAC's institutional, with an internal research unit first launch in 1975, just three years after the founding. Today the Research and Evaluation Division publishes its reports online at BRACResearch.org, and BRAC is often its own fiercest critic. This effort to continually evaluate and adapt had led BRAC to be held up as a model "learning organization."

BRAC USA assists in strengthening BRAC's capacity for impact research, evaluation and impact studies both as a means of adapting and fine-tuning BRAC's own programs and services, and as a means of sharing the organization's wealth of knowledge with the wider global development community.

Tanzania

A grant received from NoVo Foundation, has enabled BRAC to staff a research initiative, conducted in partnership with the London School of Hygiene and Tropical Medicine, that evaluates the impact of microfinance interventions in Tanzania on gender-based violence. The initiative is a continuation of groundbreaking research that took place in South Africa, which showed that

combining a microfinanced-based poverty alleviation program with participatory training on HIV risk and prevention, gender norms, domestic violence and sexuality could lead to significant reductions in violence between intimate partners.

Uganda

Another BRAC USA grant enabled the Uganda-based research and evaluation unit to conduct a robust research study to answer the following: What are the relative magnitudes of the various constraints that small firms encounter in expanding their scale of business and creating employment? How effective are skills training programs in creating employment for young people? Are 'apprenticeship' programs more cost-effective than training programs at formal technical institutes?

USA

Together with the Center of Evaluation for Global Action (CEGA) at University of California, Berkeley, BRAC has launched a learning partnership to bring together researchers from BRAC Research & Evaluation Division in Bangladesh, BRAC Research & Evaluation Units in Africa, BRAC Development Institute at BRAC University, and CEGA. With BRAC USA taking the lead on managing the partnership, this collaboration will facilitate diffusion and cross-fertilization of ideas between the various BRAC research entities and CEGA. BRAC research staff are given an opportunity to spend a semester at UC Berkeley or another UC campus as visiting scholars.

Using a blackboard the first day of school, a young boy learns to write numbers in a BRAC Non Formal Primary school in Manderia village in Torid, South Sudan. Many of these children have never attended a school in years.



Sharing the knowledge

Supported in part by Nike Foundation and The MasterCard Foundation, BRAC USA's public education initiatives cut across the swath of sectors in which BRAC works. We aim further the mission and vision of BRAC by communicating how a holistic, community-based approach to poverty alleviation has made tremendous impact in Bangladesh and beyond.

Our public education efforts focus on the importance of investing in girls, sharing BRAC's experience as the world's largest implementer of the "girl effect" (see page 10); and highlight the role of collaborative learning, especially as it related to empowering adolescent girls, in our partnership with The MasterCard Foundation in Uganda (see page 9).

We are sharing the lessons learned during the 40 years since BRAC's birth with the wider development community, sharing and exploring the ways in which BRAC's innovations have the potential to empower individuals and communities even beyond the scope of BRAC's direct interventions. An example is BRAC USA's leading role in the international expansion of "graduation programs" based on BRAC methodology but implemented by other organizations (see page 12). These have seen tremendous success, in Bangladesh and elsewhere, in leading those in extreme poverty to the bottom rung of the economic ladder.

Ultimately, when the poor lack so much as the opportunity to take control of their lives, society as a whole is worse off. We cannot afford to wait and see whether or not free markets left to their own devices will ultimately create these opportunities. Upfront investment is needed due to the urgency of the global poverty problem. BRAC's approach to creating entrepreneurship shows how nonprofits can catalyze change at the local level by using a complex set of measures that ultimately smooth the inefficiencies that work against the poor. In short, where free markets conspire against the poor and raise barriers to their success, BRAC tweaks the knobs with interventions that help the poor—a convergence of lower costs, better options, and a greater understanding of rights that offer a fairer deal to society's most vulnerable.

- Susan Davis, "Enabling Entrepreneurial Ecosystems," Innovations (MIT Press, 2012)



Sharifa Khatun of Mymensingh, Bangladesh, part of a cadre of Bangladeshi woman drivers trained by BRAC.

To hear stories directly from our clients, go to: www.youtube.com/bracusa1



Children attending a BRAC primary school in Bangladesh. Targeting children from vulnerable backgrounds, BRAC schools are set up in rented or borrowed spaces.

Why I joined BRAC

I remember well my first formal introduction to BRAC. It started with a meeting with Sir Fazle Hasan Abed, Susan Davis and colleagues at Clinton Global Initiative in 2007. I quickly became fascinated with the depth, breadth and audacity of BRAC's global development efforts.

I'd had an ongoing interest in economic development and was looking for volunteer opportunities. Though the meeting at CGI was ostensibly about microfinance, I was really interested in the broad range of interventions in which BRAC was involved.

Shortly after the meeting, I volunteered my services to the newly launched BRAC USA. I was immediately embraced (as in, put to work) by Susan and her

staff. I subsequently joined the Advisory Council and later the BRAC USA Board of Directors.

Perhaps my real journey began when I visited BRAC's operations. Seeing the range of activities – the BRAC schools, with shoes neatly arranged in a semi-circle outside the one room school house, or its gleaming high-tech dairy facility in Bangladesh – I knew I was dealing with a unique organization. At once a hyper-efficient operator of industrial-scale businesses and a sensitive development organization carefully designing programs to reach the most vulnerable, BRAC's range of operations was truly stunning. Further, coming from a research background, I was equally impressed by the breadth and depth BRAC's internal

A girl in Bangladesh has received eyeglasses as a result of her family's participation in BRAC's program targeting the urban ultra-poor.



“I found the range of BRAC's operations intellectually compelling. But there was an emotional draw, too.”

research and evaluation. There are few development organizations that have published the extensive volume of in-depth research that BRAC has over the past 40 years.

Recently, my journey took a new turn, when Susan asked me to join the staff as senior advisor and chief knowledge officer. After more than 20 years working for various financial institutions, I'm happy to say I'm now working full time for BRAC.

I find the range of BRAC's operations intellectually compelling. But there was an emotional draw, too. Two images stand out: In Liberia, as dozens of farmers lined up to take advantage of one of BRAC's poultry and livestock programs, I caught a glimpse of a little girl with a chicken under

her arm. She was beaming, a smile from ear to ear and a twinkle in her eye, as she waited to have her chicken vaccinated.

And on my latest trip to Bangladesh, while visiting BRAC's new urban ultra-poor program, I met a handicapped girl with severely impaired vision who now had an opportunity for a more productive and fulfilling life, because BRAC had identified her and arranged for the glasses she's wearing in the photo on this page.

Images like these are symbols of what development done right can achieve even in the most difficult circumstances. These emotional symbols of potential and possibility, coupled with real measurable achievement at scale, drew me to BRAC. I hope you will join me on this journey.



Rod Dubitsky
Senior Advisor &
Chief Knowledge Officer
BRAC USA



A borrower in Uganda brings her daughter to a microfinance group meeting.



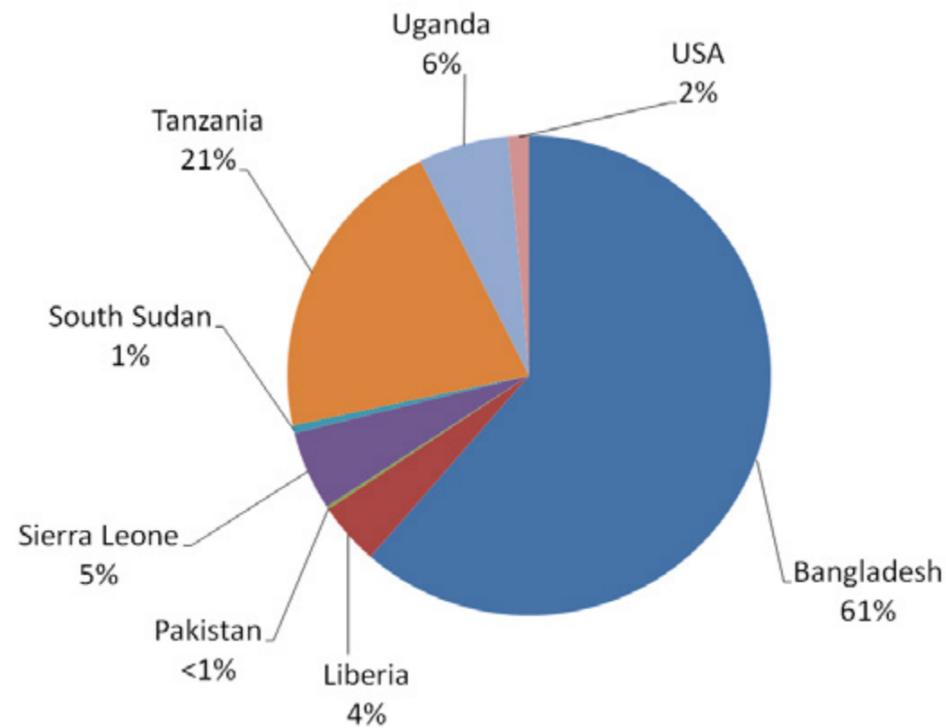
A girl in Uganda's remote Karamoja region has painted her face in preparation for a dance performance as part of BRAC's youth development center.



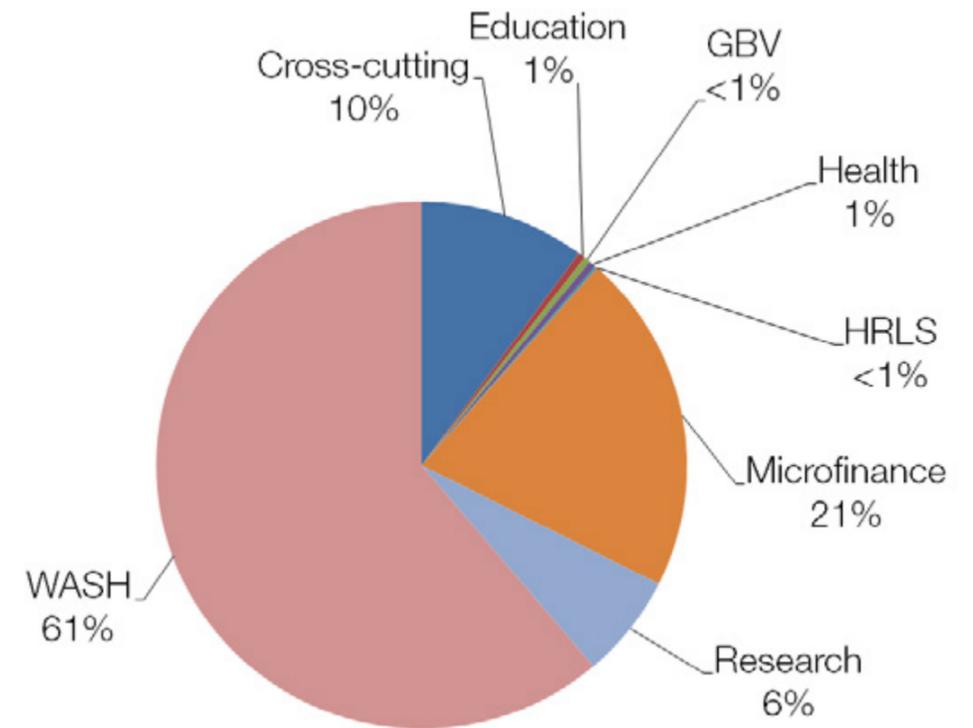
In Liberia, a girl waits in line to have her chicken vaccinated as part of BRAC's poultry and livestock program.

BRAC USA Grants in FY2012

Cumulative grants by country



Cumulative grants by program



Amount	Country	Grant Description
\$11,003,491	Bangladesh	Knowledge building, innovations in sanitation
\$25,785	Bangladesh	Scale up, HRLS Child Workers Project, supporting research/awareness/advocacy against use of child domestic workers
\$7,700	Bangladesh	Start-up, support for education initiatives of the Star Foundation
\$506,641	Liberia	To provide additional bridge support for continuing the livelihood development program of BRAC Liberia, through 2012 and the first five months of 2013
\$250,000	Liberia	Scale up, for continuity in 2012 of BRAC Sierra Leone and BRAC Liberia's livelihood development programs
\$36,775	Pakistan	Scale up, to continue programming at five schools targeted at sons and daughters of TUP beneficiaries
\$711,312	Sierra Leone	Scale up, to provide additional bridge support for livelihood programs in Sierra Leone through 2012 and the first five months of 2013
\$250,000	Sierra Leone	Scale up, bridge financing for continuity of BRAC Sierra Leone and BRAC Liberia's livelihood development programs

Amount	Country	Grant Description
\$95,500	South Sudan	Scale up, supporting BRAC South Sudan's expansion to Rumbek
\$3,269,730	Tanzania	Scale up, transfer of microfinance revolving loan fund and capital assets from Bill & Melinda Gates Foundation
\$496,065	Tanzania	Scale up, on-lending capital for BRAC Tanzania Microfinance
\$897,735	Uganda	Knowledge building, research and evaluation of expanding small firms and job creation for Ugandan youth
\$80,145	Uganda	Start-up, pilot adolescent girls health initiative primarily focused on sexual and reproductive health among teenage girls
\$67,772	Uganda	Knowledge building, to enable research unit to hire a dedicated staff person to oversee and coordinate a new Gender-based Violence prevention initiative in Tanzania
\$34,880	Uganda	Start-up, staff support for BRAC Uganda Secondary School Scholarship Program
\$250,000	USA	Knowledge building, to enable Center for Effective Global Action at University of California, Berkeley to do research and learning in partnership with BRAC

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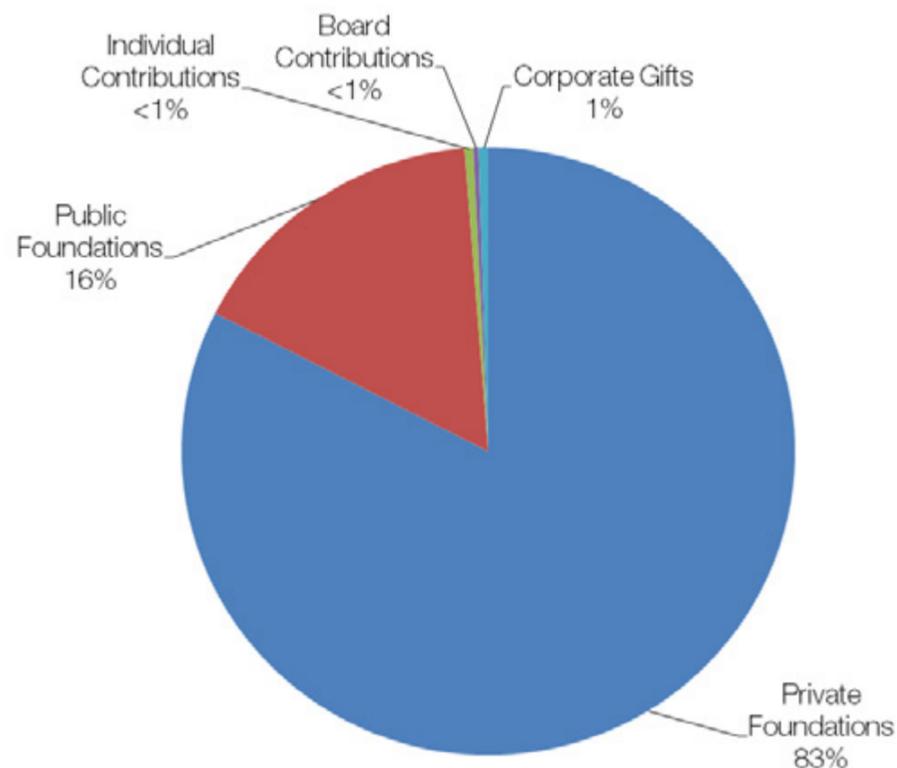
Financial Information

Audited Fiscal Year 2012 Financial Performance (12 months ending September 30, 2012)

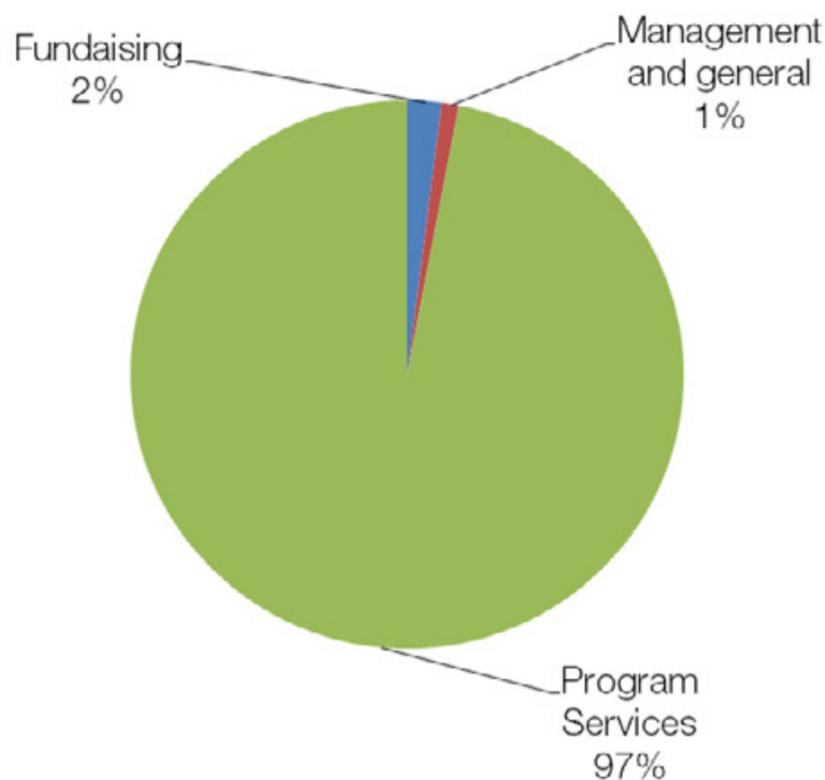
	2012	2011
(\$, unless otherwise specified)		
Changes in Unrestricted Net Assets		
Revenue and Other Support		
Contributions	20,426,050	5,805,210
In-kind donations	127,532	150,965
Earned income	842,890	919,717
Interest income	15,653	24,185
Miscellaneous income	869	1,940
Write-down of unconditional promise to give	(50,000)	-
	<u>21,362,994</u>	<u>6,902,017</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	939,356	285,893
Total Revenue and Other Support	22,302,350	7,187,910
Expenses		
Program Services	20,209,651	6,804,816
Supporting Services		
Management and general	230,420	302,361
Fundraising	338,706	221,288
Total Supporting Services	569,126	523,649
Total Expenses	20,778,777	7,328,465
Increase (Decrease) in Unrestricted Net Assets	1,523,573	(140,555)
Changes in Temporarily Restricted Net Assets		
Contributions	3,417,047	1,670,015
Net assets released from restrictions	(939,356)	(285,893)
Increase in Temporarily Restricted Net Assets	2,477,691	1,384,122
Increase in net assets	4,001,264	1,243,567
Net assets, beginning of year	4,834,710	3,591,143
Net Assets, End of Year	8,835,974	4,834,710

Audited by Lutz and Carr.

Revenues



Expenses



How can you get involved?

Stay informed

Sign up for BRAC USA's monthly e-newsletter at BRAC.net to keep up to date and spread the word to others. Donate Ian Smillie's Freedom from Want to libraries in your community. Teach a BRAC case in a college course.

Multiply your impact

Many employers match their employees contributions to accredited 501(c)(3) organizations in the United States. Ask your employer to match your gift to BRAC.

Make a lasting committment

Go to BRAC.net/donate and make a recurring donation.

Why give to BRAC?

- We're famous for "frugal innovation," stretching every dollar spent to do the most good.
- BRAC has a well-established track record for efficiency, delivering essential services to poor women and girls, their families and their communities at the lowest possible cost.
- BRAC has a demonstrated ability to scale up its programs to reach millions.
- As a rule, less than 8% of BRAC funds are used for overhead.
- BRAC USA receives four out of four stars on Charity Navigator, and receives the highest rating from Better Business Bureau, meeting all 20 standards for charity accountability.

\$30

pays to train two farmers in Uganda to break the cycle of subsistence farming

\$100

provides a safe space, life skills and entrepreneurship training for one teenage girl in Uganda

\$3500

covers the annual budget for one BRAC school for 33 students in Pakistan

Your donation will be used in support of BRAC's mission to empower people and communities in situations of poverty, illiteracy, disease and social injustice. If you would like to restrict your gift for specific programs or areas, please send a note to donations@bracusa.org detailing the time and amount of your online gift or include a note with your personal check.





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