

# ASA (1978-2008) 30 Years of Struggle for Freedom from Poverty



## Message

On the occasion of 30th anniversary of ASA, I extend my sincere felicitations to all concerned of this Organization.

I am happy to know that ASA has been contributing towards poverty alleviation and generating employment opportunities particularly in rural areas of the country through micro-credit activities since its inception. I believe, this Organization would contribute more to our economic development keeping national interest above.

I wish its continuous success.

Allah Hafez, Bangladesh Zindabad.

Professor Dr. Iajuddin Ahmed  
President  
People's Republic of Bangladesh



## Goodwill message of ASA's President

On the occasion of the 30th anniversary of ASA, I convey my good wishes to ASA's General Body and Board of Directors, all workers, loanee members as well as all people of the country. ASA began its journey in 1978 from Tepra village of Manikganj. Thirty years is not a long span of time in cosmic consideration. But for an organization it is no less considerable. Reaching 2008 I would like to look back at our past 30 years of struggle for freedom from poverty.

ASA's activities began with grants of donors. But this foreign aid was never a matter of honour and pleasure to us. Thus we have always been trying to be free from this foreign dependence. Through continuous effort ASA succeeded to be totally free from foreign dependences in 2000. Today ASA is a totally national and foreign aid free institution. To reach this stage maximum importance has to be given on proper utilization of local resources, strict pursuance of cost effective policy and organizational efficiency. As a result ASA's activities spread all over the country in shortest possible time.

To reach financial service to the marginal and grassroots people, specially women, became a mission with us. ASA's microcredit instilled life in these poor and neglected people ever deprived from institutional credit service. Integrating with ASA's microcredit program many women earned the strength to stand on their own feet. These women not only earned self reliance for themselves but brought back affluence for their families. This resulted in consolidation of their position in family and society, self reliant women are playing important role in matters of any family decision. We believe this is an important stage of women empowerment. ASA is playing its role to help such millions of women reach their newer stage of life. At present ASA is rendering financial service to 7 million people, of whom 71 per cent are women.

Because of cost effective policy ASA has not only achieved self sufficiency but also gained international reputation and recognition as the most efficient, sustainable and fast growing organization in the world. In the assessment of the USA based famous financial magazine Forbes ASA has been selected as the world's top Microfinance Institution in 2007. Besides this in 2005, ASA was adjudged as the best microfinance institution in the world in the survey of Washington based research organization Microfinance Information Exchange (MIX). In this current year 2008, the Financial Times (London) and International Finance Corporation (IFC) have jointly decorated ASA with the award 'Banking at the Bottom of the Pyramid'. These achievements and recognitions of ASA are playing a significant role in building a positive image of the country in the international arena. At present, ASA is providing technical assistance to microcredit programs in 17 countries. A sizable number of ASA's various level workers are stationed in the said countries to provide on the spot technical assistance to their microcredit programs. These workers on one hand are contributing to the country's reputation and image building on foreign soils and on the other earning valuable foreign exchange for the country.

With a view to flourishing qualitative higher education and providing opportunity of higher education to the wards of low income and poor families, we have established ASA University Bangladesh. More than 2500 students are pursuing their studies there. All our effort is on to raise ASA University's standard of education to international level. Besides, initiatives have been taken to establish a Medical College & Hospital with a view to providing standard medical service to poor people at low cost. The motto of ASA's programs is the welfare of the deprived and the poor. Undeniably, caught in the cobweb of poverty, an enormous number of people are still leading inhuman life. We have still miles to go to free the people confined in the vicious circle of poverty. On this 30th anniversary of ASA we would like to re-emphasise our commitment to speed up the movement for establishing a hunger-poverty-deprivation-free and a society that ensures justice. I solicit cooperation of all to this end.

Md. Shafiqul Haq Choudhury  
President, ASA.

## ASA's Endeavour in Poverty Alleviation

ASA began its journey in 1978 at Tepra, a remote village in Manikganj, with a mission to raise the standard of life of the poor, deprived and neglected people. At the initial stage the main focus of ASA's activities was to build awareness and organize the poor and deprived people of society in realizing their rights. Besides, ASA provided legal aid and ran training programs. At that time the program succeeded in raising awareness among the grassroots level people and created quite a stir. However, despite achieving a noteworthy success this program of ASA could not advance much further due to various administrative and social barriers.

From the initial stage ASA could realize that it was not practical to improve the lot of the poor only through creating awareness and organizing. Out of this realization ASA experimentally started microcredit program through rehabilitation of the flood affected in 1988 side by side with its health, education, sanitation and nutrition program. This program succeeded in achieving the envisaged goal. The poor and the deprived accepted ASA's micro credit program with as much ease. In such situation ASA took the initiative of transforming the micro credit program into a specialized program.

In 1991 ASA introduced a new model of microcredit different from the existing micro credit models. One of the specialties of this program is to reach the financial service to the doorstep of the poor following a very easy and straight process. In this process, personal guarantee was introduced instead of group guarantee. This relieved the members of additional mental pressure. The rigor of attending weekly group meeting was relaxed and maximum cost effective policy for credit management was adopted. The main objective of this program is to free the rural and grassroots level poor from the grip of local money lenders; to provide financial assistance to women, backward and landless people so that they can gain employment and self-reliance.

### Specialties of ASA model

- 1) Simple infrastructure, 2) Costless and smooth recruitment, training and management, 3) Decentralization, 4) Limiting expenditure ceiling, 5) Branch and worker-wise minimum target, 6) Satisfaction of service receivers, 7) Insurance, Health care etc.

Because of these specialties of ASA's Microcredit program it has been possible to reach financial service to huge number of people in shortest possible time.

### Difference of ASA Model

SL.	Subject	ASA model	Other models
1	Financial ability	An ASA branch gains self-reliance	within 9-12 months
2	Operational cost	ASA operational cost is meager only 3.3%	In other models this cost limit is 10% to 15%
3	Quick expansion	In ASA model program can be extended very fast. ASA has been able to reach its service to 7 million people in only 10 years	For other organizations it took about double the time to reach equal number of receivers.
4	Decision making process at branch level	ASA's decision making process is very fast and easy. The process is fully decentralized which has ensured quick implementation of decision.	In other models decision making process is complex and centralized.
5	Branch level book keeping	ASA's book keeping process is very easy. Separate accountant and cashier not needed for branch level account keeping.	In branches of other organizations separate accountant and cashier are inevitable which appreciate cost.
6	Training for new staff	ASA's training process is very simple. A new staff can start work getting 30 days of training in full swing.	New staff requires several month's training for starting work in other organizations.



স্বরাষ্ট্র মন্ত্রণালয়

## বাণী



আশা'র ৩০তম বর্ষপূর্তিতে সশ্রদ্ধে সকলকে আমি বতজ্ঞা জানাই।

দেশের ক্ষুদ্রঋণ কার্যক্রমে আশা গত তিন দশক ধরে প্রশংসনীয় ভূমিকা পালন করে চলেছে। আমি আশা করি, ভবিষ্যতেও এ সংগঠন দরিদ্র ও কর্মহীন মানুষকে আত্মনির্ভর হতে সহায়তা প্রদান করে যাবে।

আশা'র উত্তরোত্তর সাফল্য ও সমৃদ্ধি কামনা করছি।

স্বরাষ্ট্র মন্ত্রণালয়

ফরকান্দীন আহমেদ  
প্রধান উপদেষ্টা  
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার



## Message



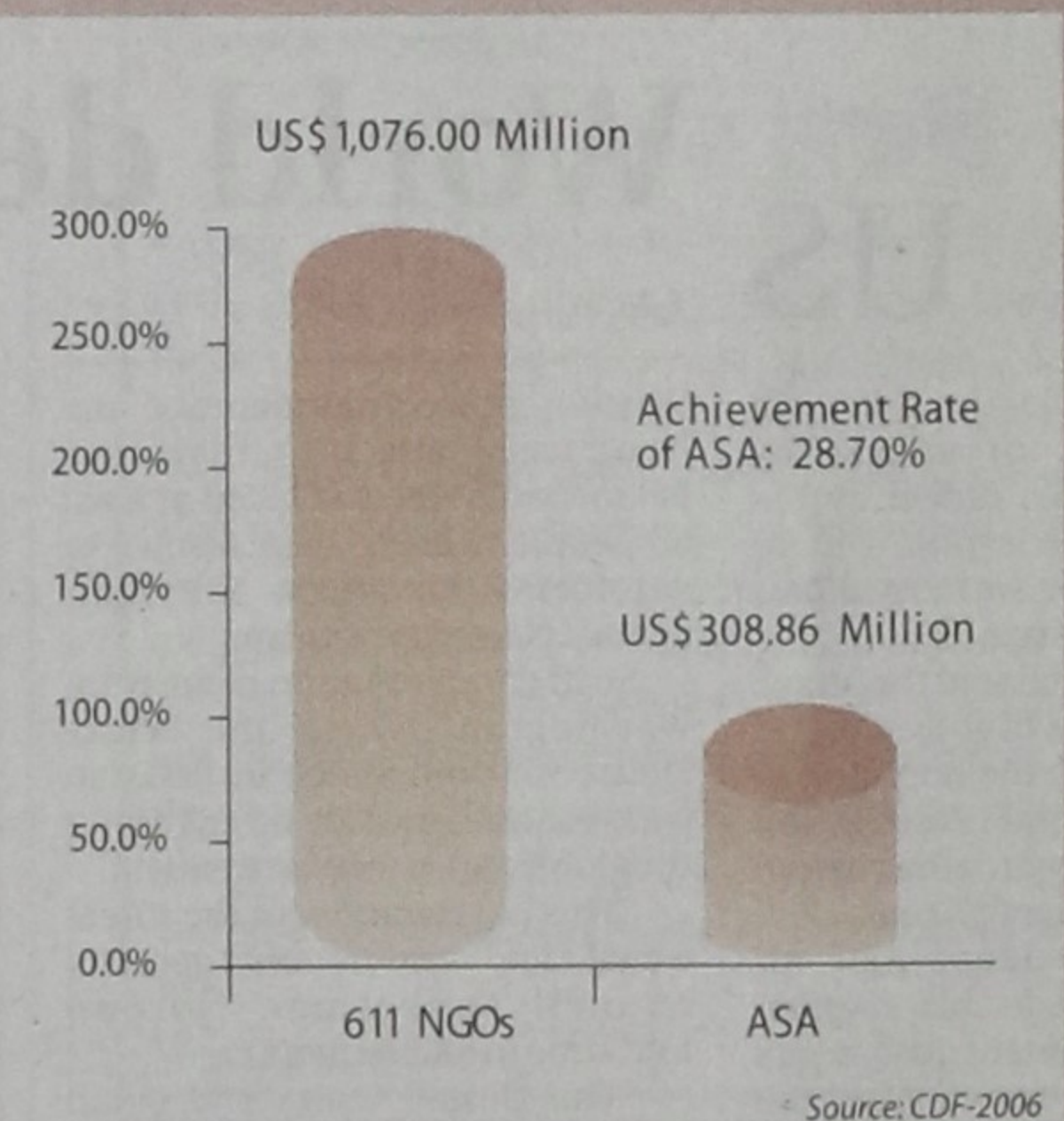
I congratulate all concerned on the occasion of Association for Social Advancement (ASA)'s 30th anniversary.

ASA has been playing a major role to make grassroots people efficient and worthy through microcredit services with its large workforce. With the careful and passionate guidance of ASA the downtrodden and underprivileged people are cherishing the dream of new life and getting necessary lessons for directing economic activities and becoming self-reliant. Through these the poor people are not only improving their fate but also contributing to the development of national economy.

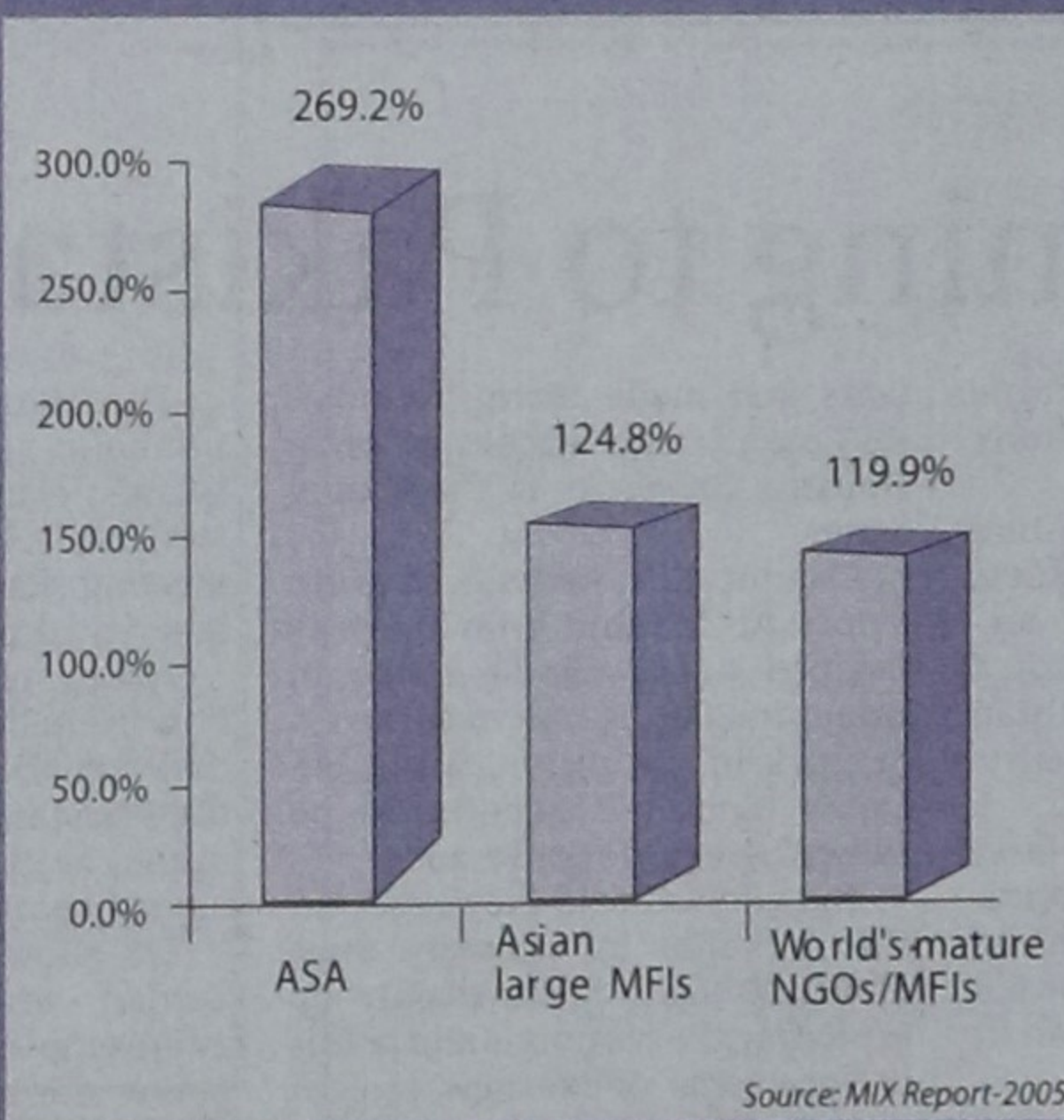
I'm very delighted to know that ASA has received international recognitions dedicating its services to helping grassroots people as well as economic development of the country. I hope that ASA's success will spread in different sectors and would be followed by others.

Brigadier General M. A. Malek (Retd.)  
Special Assistant to Chief Adviser  
Government of the People's Republic of Bangladesh  
Ministry of Posts & Telecommunications and Social Welfare Ministry

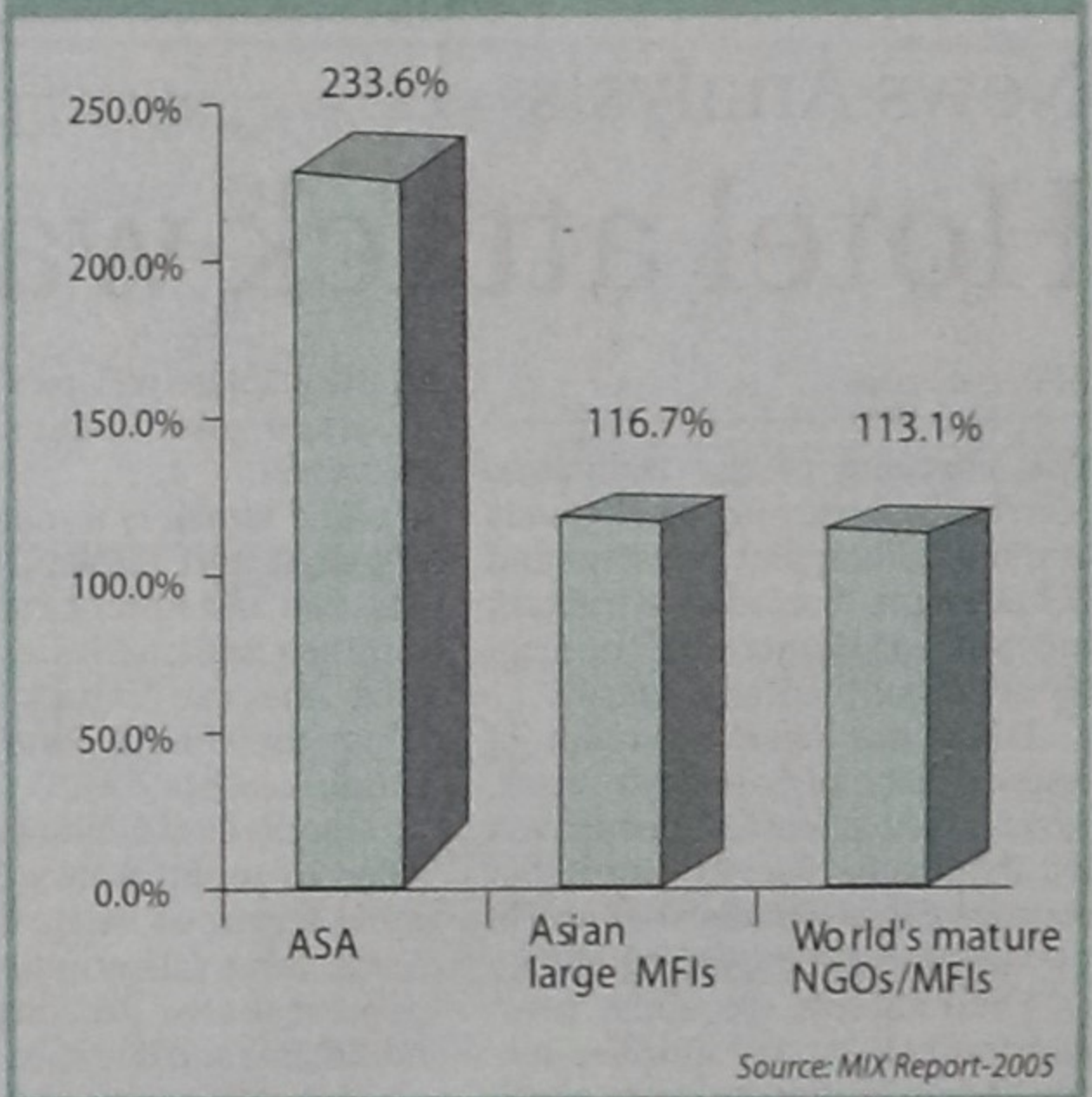
### Position & Achievement at National Level



### Operational Self-Sufficiency (OSS)



### Financial Self-Sufficiency (FSS)



## ASA at a Glance June 2008

01.	No of Branches	3,324
02.	No of total Village	72,204
03.	No of Thana/Upazilla covered	515
04.	No of Districts covered	64 Districts
05.	No of Members	7.1 million
06.	No of total Credit recipients	5.6 million
07.	Total Loan disbursed(accumulated)	284,686 million
08.	Loan outstanding(with service charges)	33,904 million
09.	Total no of Workers	27,426
10.	Rate of Rredit recovery	99.48%

### ASA's Microcredit & Financial Services

1) Small Loan (women), 2) Small Loan (men), 3) Hardcore poor loan, 4) Development credit: a) Small Entrepreneurs Lending (SEL), b) Small Business Loan, 5) Special credit: a) Supplementary loan, b) Disaster management loan (interest free), c) Monga loan, 6) Education loan, 7) Health care program, 8) Savings program, 9) Insurance program.

At present the number of ASA's service receiving members is more than 7 million. They include the poor, hard core poor and lower middle class whose gross daily income is about one US dollar. At the beginning of 2008 ASA's gross credit amounted to 8,500 taka or 130 US dollar. ASA's all kinds of credit is personal collateral free and group guarantee free. Service charge for all credits is within 10% to 12.5%.

**Small Loan (women):** Seventy one percent of ASA's microcredit clients are women, most of these members are landless. At the initial stage rural women are given credit amounting to 70-110 US dollar and urban women, 150-310 US dollar. The income generating projects where the women generally invest the credit money are; cattle and poultry rearing, paddy husking, handicrafts, pisciculture, small trading etc. The tenure of this credit is one year, repayable in weekly installment. Because of its being encumbrance free and easy availability women feel comfortable with this credit. Till June 2008, the number of ASA's micro credit (women) customers was 45 lakh.

**Small Loan (men):** To increase agri production through helping marginal farmers ASA started male loan program in 2005. The installment system for this has been fixed according to the ability and convenience of poor men members. Many poor farmers in Bangladesh cannot purchase necessary agriculture implements for want of money. This credit was introduced with a view to helping farmers in purchasing necessary agriculture implements in time and cooperating in country's overall increase of agricultural produce. Amount of this credit is 30 to 50 US dollar.

**Small Business Loan:** Small Business Loan was introduced with two objectives in view. One creating employment opportunity for the hard core poor, two providing fund to small traders on necessity. ASA's Small Business Loan is provided to such women and men as having business but unable to extend it for want of necessary fund and who are capable of medium size capital managements. The amount of this credit is 250-350 US dollar. Group guarantee is not necessary for this credit and one need not come to office to pay installments.

**Small Entrepreneurs Lending (SEL):** ASA introduced medium size small Entrepreneurs loan (SEL) in 2003. This credit was introduced with a view to creating employment opportunities for the hard core poor at small manufacturing units. To extend this program successful micro credit receivers are brought under it and new members are included.

**Supplementary Loan (BDS):** Because of seasonal poverty and sudden crisis many members cannot repay loan despite willingness. Specially, natural disasters like flood, drought, cyclone, river erosion etc. deter normal working of the members and their income being blocked they become unable to pay installments. With a view to bringing back such members again in the credit program the BDS was introduced. The member of BDS members till April 2008 was 6500.

**Education Loan:** Education loan was introduced with a view to providing assistance towards higher education of wards of ASA's members. Education credit plays a special assistance role to help such members as might face difficulty in timely payment of admission and examination fees of their wards. Till April 2008 the education credit receiving members numbered about 11 thousand.

**Hardcore Poor Loan:** ASA introduced hard core poor credit program for the extremely poor people. Installment system for this credit is flexible. Members can repay this loan on monthly, quarterly, half-yearly and at a time basis according to their convenience and ability. The rate of interest for hard core poor loan is 10%.

**Savings:** Savings program was undertaken to motivate members to save to face crisis situation. Member's money saved with ASA is quickly refunded with interest at their moment of need.

**Insurance:** To cope with the situation arising out of sudden demise of a member or her spouse ASA introduced micro life insurance programs. Six times of the insured amount on death of a member and three times on death of her spouse is refunded which ensures financial security of their family at the extreme hard time.

**Disaster Management Loan:** Members are provided interest free loan to face various kinds of natural disaster viz. Flood, Drought, Cyclone, Water logging, Tornado and Monga situation. This credit plays an assistance role to recover from disaster losses.

## 'ASA World's Top Microfinance Organization'

Forbes Magazine, USA

ASA has been ranked as the best Microfinance Institution (MFI) of the world in the Forbes list. Internationally renowned magazine Forbes, USA has published the top-50 Microfinance providers list of the world in December 20, 2007 issue and ASA has been placed on the top of the list. The top 50 were selected comparing the data of 641 microfinance service providers of the world. The list was prepared by the Microfinance Information Exchange (MIX), a Washington based microfinance research institution, under the direction and supervision of Forbes after reviewing the audited financial statements of the MFIs by Forbes advisory panel. Forbes magazine has ranked the MFIs analyzing their Scale of Gross loan portfolio, Efficiency, Risk, Return on assets, etc.

Besides ASA other six Bangladeshi MFIs have got place in the Forbes top 50 list. These are; Jagorani Chakra Foundation (ranked-16), Grameen Bank (ranked-17), BRAC (ranked-21), Skati Foundation for Disadvantaged Women (ranked-35), Integrated Development Foundation (ranked- 38) and BURO, formerly BURO Tangail (ranked- 48).

Bandhan, an Indian MFI has been selected as the second in Forbes top list, a disciple organization of ASA, which got technical assistance from it. Mentionable, ASA had also been nominated as the leading MFI of the world by MIX report in 2005.