

2012

INGO Accountability Report



Reporting period: 1 January 2012 to 31 December 2012
Filled in by: S. N. Kairy,
Group CFO, BRAC & BRAC International

TABLE OF CONTENTS

1. Strategy and analysis	1
2. Organizational Profile	
2.1 Name of organisation	6
2.2 Primary activities	6
2.3 Operational structure of the organisation	9
2.4 Location of the organization's headquarters	9
2.5 Number of countries where the organisation operates	10
2.6 Nature of ownership and legal form	10
2.7 Target audience and affected stakeholders	11
2.8 Scale of reporting organisation	12
2.9 Significant changes during reporting period	13
2.10 Awards received in the reporting period	13
3. Reporting Parameters	
3.1 Reporting period	14
3.2 Date of most recent previous	14
3.3 Reporting cycle	14
3.4 Contact point for questions regarding the report or its content	14
3.5 Process for defining report content	14
3.6 Boundary of the report	14
3.7 State any specific limitations on the scope or boundary of the report	14
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	15
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	15
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	15
3.12 Table identifying the location of the standard disclosures in the report	15
4. Governance, Commitments, and Engagement	
4.1 Governance structure of the organisation, including committees under the highest governance body	16

4.2 Indicate whether the chair of the highest governance body is also an executive officer. Report the division of powers between the highest governance body and the management and/or executives	16
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	17
4.4 Mechanisms for internal stakeholders (e.g. members), shareholders and employees to provide recommendations or direction to the highest governance body	18
4.14 List of stakeholder groups engaged by the organisation	18
4.15 Basis for identification and selection of stakeholders with whom to engage	19

PERFORMANCE INDICATORS

NGO1 Processes for involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs	20
NGO2 Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies	21
NGO3 System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact) resulting changes to programs, and how they are communicated	22
NGO4 Measures to integrate gender and diversity into program design and implementation, and the monitoring evaluation, and learning cycle.....	23
NGO5 Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns	25
NGO6 Processes to take into account and coordinate with the activities of other actors	27
NGO7 Resource allocation	29
NGO8 Sources of funding by category and five largest donors and monetary value of their contribution	31
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	33
EN16 Total direct and indirect greenhouse gas emissions by weight	33
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	33
LA1 Total workforce, including volunteers, by employment type, employment contract, and region.....	34
LA10 Average hours of training per year per employee by employee category	35
LA12 Percentage of employees receiving regular performance and career development reviews	36
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	36

SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	37
SO3 Percentage of employees trained in organization's anti-corruption policies and Procedures	39
PR6 Programs for adherence to laws, standards, and voluntary codes related to ethical fundraising and marketing communications, including advertising, promotion, and sponsorship	39

STRATEGY AND ANALYSIS

1.1. Statement from the most senior decision-maker of the organization (e.g. Executive Director, Secretary General, CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

BRAC is a development organisation dedicated to alleviate poverty by empowering the poor, and helping them to bring about positive changes in their lives by creating opportunities for the poor. BRAC born in Bangladesh is spreading solutions to 10 other countries around the world – a global leader in creating opportunity for the world's poor. What started out as a limited relief operation in 1972 in a remote village of Bangladesh has turned into one of the largest development organizations in the world. Organizing the poor using communities' own human and material resources, BRAC catalyses lasting change, creating an ecosystem in which the poor have the chance to seize control of their own lives. We do this with a holistic development approach geared toward inclusion, using tools like microfinance, education, healthcare, legal services, community empowerment and more. Our work now touches the lives of an estimated 135 million people, with staff and BRAC-trained entrepreneurs numbering in the hundreds of thousands, a global movement bringing change to 11 countries in Asia, Africa and the Caribbean. Besides we have presence in UK and USA as independent charity to raise profile and funds for BRAC globally.

BRAC's vision is a world free from all forms of exploitation and discrimination where everyone has to realize their potential. In pursuit of this vision, BRAC's mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. To achieve this BRAC uses a wide array of tools such as education, health, microfinance, gender, agriculture and more. Working towards the vision and mission the persistent problems are scarcity of natural resources, high growth of population, poor quality of human resources, unemployment, poverty, under-nutrition and ill-health, underdeveloped infrastructure, gender inequality and rising food prices and food insecurity.

New Challenges

- Increased frequency of natural disasters: It is expected that natural disasters, such as floods and cyclones, continues to increase in scale and frequency as the effects of climate change become more pronounced. This trend has impact on water-borne diseases, such as increased incidence of cholera and diarrhoea, lead to displacement of populations, loss of livelihoods and increased vulnerability to malnutrition.
- Slowing down of fertility reduction: The rapid decline of fertility, from over 6.5 births per woman to 3.3 births, during Bangladesh's early years set a historic record in demographic transition but the Demographic and Health Surveys of the past ten years

suggest that fertility reduction has stalled. The total fertility rate now stands at 2.7 despite small gains in contraceptive prevalence. Further declines are needed as Bangladesh faces crowding, environmental deterioration, rapid migration from rural areas to unplanned urban settings and rapid depletion of resources.

- Socioeconomic and regional inequality: There is considerable regional inequality in socioeconomic progress, especially affecting: coastal areas, depressed basins in the Northeast region, char lands and flood-prone areas in the Northwest region, and the Chittagong Hill Tracts.
- Urban poverty: Bangladesh remains a predominantly agrarian country with only 27% of the population – around 38 million people – currently living in urban areas. However, the urban population is predicted to reach 51 million by 2015, a third of the total population. As the rate of urbanisation increases, so will the ratio and extent of poverty within urban populations. It will be important to recognise the differences in the causes and manifestations of urban poverty and design appropriate interventions that address these specific issues.

Considering new challenges, BRAC focus more in the following two areas:

- i. Urban Poverty: We develop a highly integrated programme for the urban poor which includes education, health and sanitation components, and capacity development training. We have already started implementing the programme. For established services such as microfinance, we will look into developing new social enterprises to support urban livelihood activities. We also strengthen our advocacy efforts regarding urban poverty by educating the general public and inform and influence policy decisions.
- ii. Socio-economically Depressed Regions: We establish a highly integrated package of programmes for socio-economically depressed regions, in particular chars, Hill Tracts etc. Geographic analyses give clear indication of the areas which are falling behind compare to other areas.

Programmatic Directions

- i. Maternal, Neonatal and Child Health: BRAC works with the government and partners to scale-up our maternal, neonatal and child health programme to maximize coverage of regions with the worst mortality records.
- ii. Life- Cycle Approach to Human Development: We adopt an approach to designing our human development programmes which takes into account a person's entire life-cycle and provide relevant interventions at each crucial stage e.g. ensuring proper nutrition for babies through post-natal care, pre-schooling to address critical early childhood

development, encouraging positive behavior in adolescents regarding education, health, gender, marriage etc. and giving them skills development training and providing social protection and extreme poverty programmes for the elderly.

- iii. Gender: We focus on direct versus indirect outcomes i.e. from using women as channels for development service delivery to achieving concrete freedoms and benefits for them in the household and the community. This includes issues such as women's right to property, bringing about gender culture change at household levels and strengthening systems that address gender based violence and abuse.
- iv. ICT: It is expected that we will have nationwide broadband internet coverage soon. BRAC will be looking into further uses of ICT as a tool for development to take advantage of the emerging opportunities. We are already using ICT in several of our interventions, e.g. Computer Aided Learning tools for both students and teachers in education, information dissemination and data collection in health and mobile cash systems for improving the effectiveness of microfinance. We will examine further uses of ICT in providing distance learning, fast-tracking outreach of agricultural information, facilitating extension work, aiding disaster warning, preventing gender-based violence etc.
- v. Social Enterprises: One way to look at how BRAC's development programmes and social enterprises relate is to view them as lying on the same poverty reduction spectrum. In Bangladesh, we are facing new challenges as we are not creating enough jobs for the 2 million people who come into the labor market annually. One way is to create to self-employment, which is what BRAC's microfinance programme aims to do. However, the commercial success of self-employment ventures can only be ensured through social enterprises. At this juncture it is important for BRAC to further integrate its livelihood development activities with the social enterprises that support them. With concern growing regarding the rapid rate of urbanization, we see further opportunities to explore social enterprises that support urban livelihood activities as well as new areas such as agro-based overseas employment.
- vi. Agriculture and Climate Change: The development of high temperature, stress tolerant crop varieties and extended research into the performance of hybrid rice, under waterlogged conditions to expedite cultivation in submerged regions (in the South of country), will aim to provide a longer-term solution in the face of ongoing disaster management. By establishing salt tolerant short-duration rice varieties we aim to intensify crop production for greater food security and the conservation of biodiversity. We will move towards developing new technologies that fast-track drought and submergence issues; for example, the use of sub-surface drainage technology to lower the water table in saline waterlogged areas.

ORGANISATIONAL DEVELOPMENT STRATEGIES

Following are organisational development strategies:

- Strengthening of organisational sustainability by institutionalizing decision-making and risk-management by putting in place systems for developing leadership and succession-planning at all levels. Developing middle and upper management through programmes like the Young Professionals as well as mentoring of existing managers.
- Strengthening of human resources (HR) through a full review of current procedures and introduction of new HR management technologies as well as updated recruitment, orientation, motivation and appraisal methods.
- Introducing matrix management processes for the integrated programmes that are developed for the geographically marginalised and urban areas. These programmes involve multiple BRAC units with a lead manager from one unit, with contributions of staff from other units.
- Further strengthening of BRAC as a learning organisation by re-assessing training procedures and content, and promoting the use of ICT as a training tool and an important capacity development area for BRAC staff.
- Building in processes for ensuring synergy between programmes and regions/countries through systematic communication between entities and the reinforcement of brand and culture.
- Re-aligning the organisational culture with BRAC's vision and mission will be brought to the forefront of strategic planning. A process of culture change is initiated simultaneously through a culture audit which will help inform the planning and implementation of the culture change process.
- Changing organisational culture means developing an internal understanding and sensitivity towards gender and human rights issues and work-life balance. An evaluation of prevalent gender attitudes and inter-personal behaviour patterns across all levels within the organisation undertaken to support the development of internal gender and human rights strategies. These strategies, in turn, helps reinforce and sustain the culture change which must go beyond the institution and permeate staff relationships with beneficiaries. SEL approaches help strengthen these relationships.
- Introducing a robust Social Performance Management System which allows BRAC to better monitor and evaluate impact and assess effectiveness of programmes as well as decisions. The system works with a series of predetermined indicators monitored over

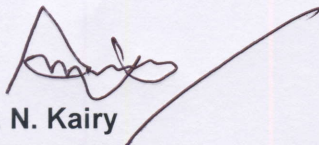
regular intervals to help guide decision making and planning processes and also strengthen knowledge management.

- Prioritising internal ICT development and use so it can be an important tool for increasing efficiency, aiding in intra-organisation synergy, improving communication and decision-making and preserving organisational memory through a robust, multimedia archive which allows BRAC to better manage knowledge.

Achievements

- BRAC signed the Strategic Partnership Agreement (SPA) with DFID and AusAID to support the livelihoods of some of the most marginalized communities in Bangladesh. With support through the agreement, BRAC aims to lift 340,000 women and their families out of extreme poverty, assist 680,000 children (60 percent of whom are girls) to receive a high standard of primary education, provide contraceptive services to over 15 million couples, and ensure that 2.9 million pregnant women have assistance from skilled birth attendants.
- Revenue generated by the enterprises, micro investment and financial services reached BDT 28.8 billion (USD 369.5 million) in 2012. The sum covered 74 percent of the total budget expenditure; with donor grants covered the rest of the outlay.
- BRAC started education programme in Philippines.

In 2012, BRAC served over 135 million people all over the world. BRAC celebrated its 40th anniversary. We are looking forward to continuing our work, created long lasting solution for poverty eradication and empowerment of marginalised people and create a world without poverty and discrimination.



S. N. Kairy
Group CFO
BRAC & BRAC International

ORGANIZATIONAL PROFILE

2.1 Name of the organization

BRAC

2.2 Primary activities (e.g. advocacy, social marketing, research, service provision, capacity building, humanitarian assistance, etc.). Indicate how these activities relate to the organization's mission and primary strategic goals (e.g., on poverty reduction, environment, human rights, etc.).

BRAC is a global leader in creating large-scale opportunities for the poor. Founded in Bangladesh in 1972, it is now one of the world's largest development organization. Over 100,000 BRAC workers touch the lives of an estimated 135 million people in 11 countries, using a wide array of tools such as microfinance, education, healthcare, legal rights training and more.

Agriculture & Food Security: BRAC works to achieve and sustain food security. We build systems of production distribution and market quality seeds at fair prices, conduct research to develop better varieties and practices for the agricultural sector, offer credit support to poor farmers and promote the use of efficient farming techniques and proven technologies.

Community Empowerment: We empower the poor, especially women, by mobilizing communities to translate awareness into action. Our basic approach strengthens rural communities by building community-based institutions to raise awareness and the voices of poor, while creating a platform for rural civil society and the local government to work together. We strengthen the process by addressing violence against women to create safe communities for women and children and increase the poor's access to information by using interactive communication tools like popular theatre and community radio. Together, these interventions contribute to gender equality, democratic governance and socio-political empowerment of the poor as a pathway to achieve the Millennium Development Goals.

Disaster, Environment & Climate Change: Natural disasters and climate change may be global concerns, but they pose serious threats to developing countries in particular. BRAC enhances the institutional capacity to respond to natural disasters, builds competence at the community level on disaster preparedness and increases coping ability during natural disasters with preventive and adaptive strategies. We conduct predictive research, enable information sharing, and provide education, training, simulation sessions and situation reports to both our staff and communities to improve preparedness. When disaster strikes, our emergency relief and rehabilitation support help communities restore their lives and livelihoods. In the long run, all these measures are aimed at reducing the vulnerability of the exposed population.

Education: BRAC has become the largest secular, private education system in the world spreading from Bangladesh to six other countries. Over 700,000 students are enrolled in BRAC

primary schools worldwide, which are designed to give a second chance at learning to the disadvantaged students dropped out from the formal education system. The programme complements mainstream school systems with innovative teaching methods and materials, opens primary schools in communities unreached by formal education systems, and brings learning to millions of children, particularly those affected by extreme poverty, violence, displacement or discrimination. We target underprivileged children at the pre-primary level, preparing them for mainstream primary school entry. We provide need-based training, student mentoring initiatives, and e-learning materials at the secondary level to improve the mainstream secondary education system. We are giving increasing priorities to adolescents and the youth, offering them life skills and livelihood development training, as well as savings and financial services. Mobile libraries from our multipurpose community learning centres promote reading amongst the communities.

Gender, Justice & Diversity: BRAC works to integrate gender justice into its programmes and eliminate gender inequality from the society. We work simultaneously within the organisation and with the communities. It strives for equality, diversity and inclusiveness within BRAC; improves gender relations and empowers women at the household level across many of BRAC's programmes; and works to ensure that girls and boys are equitably nurtured to their full potential from pre-primary through secondary school. We also promote gender equality and work to prevent violence against women at the national level by influencing government policies and agendas, organizing public forums and events, and leveraging national and international alliances for gender justice.

Health, Nutrition and Population: BRAC aims to improve reproductive, maternal, neonatal, and child health and nutritional status, reduce vulnerability to communicable diseases, combat non-communicable diseases, and enhance the quality of life. By combining preventive, promotive, curative and rehabilitative health services, we serve the disadvantaged, socially excluded and hard-to-reach population. Our integrated service delivery model utilizes our frontline community health workers, who create an effective bridge between underserved communities and formal healthcare systems including BRAC-run health facilities, for improving access, coverage, and quality of health services in communities across the country.

Human Rights and Legal Aid Services: BRAC is dedicated to protecting and promoting human rights of the poor and marginalised through legal empowerment. This programme creates an enabling environment for vulnerable and excluded communities to seek justice through formal and informal systems. We advocate a rights-based approach to human development.

Integrated Development Programme: BRAC's integrated development programme (IDP) aims to address the need of the most marginalized and deprived communities who are socially and geographically excluded from the mainstream development interventions in specific areas of Bangladesh. IDP reaches its target group with a coordinated version of all BRAC interventions including health, education, microfinance, and overall social development. IDP grants the poor living in hard-to-reach areas with access to basic services, creates livelihood opportunities,

mobilizes communities for their empowerment, and continually improves its services from research findings.

Microfinance: Over the course of the last four decades, BRAC Microfinance 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 brings collateral free credit and savings services to the doorsteps of the landless poor, marginal farmers and small entrepreneurs through village organizations (VO) made up of around 20 to 30 women from the local community. These VOs serve as a platform for women and allow them to come together, share information and raise awareness on issues concerning their daily lives. Our holistic approach to providing access to finance also ensures that our borrowers are supported, have the ability to exchange information and raise their levels of awareness on health, social and legal issues. Also, through our credit-plus approach, we work to strengthen the enterprises that our borrowers invest in, giving them access to quality supplies, training and support in marketing their products to reduce vulnerability to market failures.

Migration: In Bangladesh, migration has been declared as a thrust sector and is increasingly being recognized as one of the post MDG development agendas. However, migrants continue to frequently fall victim to exploitation due to lack of access to information and immigration services, proactive policy support and sufficient social and economic re-integration initiatives. Realizing this, BRAC started providing information on safe migration processes, relevant laws and rights, legal support, skills training and social arbitration to recover money from middlemen, who adapted fraudulent practices and cheated migrants.

Targeting the Ultra Poor: BRAC focuses on improving the economic and social situation of those at the base of the economic pyramid. Living in extreme poverty, this group struggles to meet its minimal dietary requirements and faces difficulty to reach mainstream anti poverty programmes like microfinance. To help this population at least get on the bottom rung of the economic ladder, our process includes a deliberate sequencing of interventions including asset grants, skills development and personalized healthcare support. According to the latest impact assessment study, about 95 per cent of those in the programme 'graduate' from extreme poverty – and have stayed out for six years after the programme ends. Most go on to take advantage of more mainstream opportunities like microfinance. The programme is now being adapted by other organizations in different countries around the world.

Water, Sanitation and Hygiene (WASH): BRAC provides sustainable and integrated WASH services in rural and isolated areas, breaking the cycle of contamination caused by unsanitary latrines, contaminated water and unsafe hygiene practices. We ensure sustainability of these interventions by encouraging community ownership, developing linkages with local government, and encouraging local entrepreneurs to supply low-cost hardware. WASH has played a major role in reducing the proportion of people without access to safe drinking water and basic sanitation by half.

Enterprises & Investments: The BRAC model consists of a network of development programmes, enterprises and investments. About half the surpluses generated by our social enterprises help fund the expenditure of our development programmes in Bangladesh, while the rest is reinvested in the enterprises themselves. BRAC's investments ensure financially profitable investments in socially responsible areas, such as low income housing, small and medium enterprise loans, information technology and clean development mechanisms. Dividends from our investments support the financial health of the organisation and reduce our dependency on donors. Enterprises include Aarong (retail shop), nursery, fisheries enterprises, poultry enterprises, solar enterprises etc. and investments are BRAC tea estate, BRAC Bank, BRAC EPL Investments Ltd., bKash Limited etc.

2.3 Operational Structure of the organization including national offices, sections, branches, field offices, main divisions, operating companies, subsidiaries and joint ventures.

BRAC, development organization works towards poverty alleviation and empowerment of the poor. BRAC is governed by Governing Body. The governing body consists of 10 members. Distinguished professionals, activists and entrepreneurs of excellent repute have been elected to the governing body to bring their diversified skills and experiences to the governance of BRAC. The governing body appoints Executive Director and Managing Director. BRAC has CFO for both BRAC Bangladesh & BRAC International. All the development programmes are headed by Senior Director/ Director/ Associate Director. BRAC organogram is available in annexure 1.

BRAC Enterprises & Investments is under the supervision of Managing Director. Besides BRAC Enterprises is headed by a Senior Director.

BRAC International Governing Body Consists of 10 members. The governing body appoints Executive Director, BRAC International. All the countries are headed by country representative.

BRAC has independent charity in UK & USA to raise profile and funds for BRAC globally.

Branch Management

BRAC has branch offices all over Bangladesh to carry out various development projects. Branch offices report to area offices. Area offices report to respective regional offices. Regional offices communicate with Head office. Same operational structure is followed in all countries.

2.4 Location of organization's headquarters

BRAC headquarter is situated in Dhaka, Bangladesh. The address is below:

BRAC Centre
75 Mohakhali
Dhaka 1212
Bangladesh

2.5 Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.

BRAC has presence in eleven countries. Besides, BRAC has independent charity in UK & USA. Following are the name of countries with operations:

Name of Country	Operations
Bangladesh	Microfinance, Education, Health, Ultra poor, Integrated Development, Water, Sanitation & Hygiene, Human Rights & Legal Aid Services, Community Empowerment, Agriculture & Food Security, Disaster Management & Climate Change, Gender Justice & Diversity, Migration
Afghanistan	Microfinance, Small Enterprise Programme, Education, Adolescents Reading Centres, Health, National Solidarity Programme, Targeting the Ultra Poor
Pakistan	Microfinance, Small Enterprise Programme, Education, Targeting the Ultra Poor/ Livelihood Enhancement and Protection Institutional Development, Health, Agriculture
Sierra Leone	Microfinance, Education, Agriculture, Poultry & Livestock, Human Rights & Legal Awareness, Empowerment and Livelihood of Adolescent Girls, Food Security & Nutrition
Liberia	Microfinance, Small Enterprise Programme, Health, Agriculture, Poultry & Livestock
South Sudan	Microfinance, Agriculture, Education, Adolescent Girls Initiative, Health
Uganda	Microfinance, Small Enterprise Programme, Education, Health, Agriculture, Poultry & Livestock, Empowerment & Livelihood for Adolescents, Karamoja Initiative
Tanzania	Microfinance, Small Enterprise Programme, Health, Agriculture, Poultry & Livestock, Empowerment & Livelihood for Adolescents
Sri Lanka	Microfinance
Philippines	Education
Haiti (Technical Support Country)	Agriculture and Livelihood, Targeting the Ultra Poor, Education, BRAC Limb & Brace Center, Housing
USA	An independent charity to raise profile and funds for BRAC globally
UK	An independent charity to raise profile and funds for BRAC globally

2.6 Nature of ownership and legal form. Details and current status of not-for-profit registration

BRAC, development organisation was formed in 1972 under Societies Registration Act 1860. BRAC has its development programme across various countries in Asia, Africa and Caribbean.

BRAC International is registered in 2009 as Charity (Stichting) in Netherlands. Besides, each country is legally registered with relevant regulatory authorities in respective countries. BRAC is also registered in UK and USA as independent charity to raise funds for BRAC globally.

BRAC does not have any owner. The general body of BRAC consists of 29 members. As per the Memorandum of Association and Rules and Regulations of BRAC, the general body elects the governing body. Both BRAC Bangladesh and BRAC International governing body consists of 10 members.

2.7 Target audience and affected stakeholders. Market served (including geographic breakdown, sector served and types of affected stakeholders/ consumers/ beneficiaries).

BRAC is dedicated to alleviate poverty by empowering the poor, and helping them to bring about positive changes in their lives by creating opportunities for the poor. BRAC works with poor, extreme poor, disadvantaged and socially excluded people, especially women and children. BRAC also focus on youth and adolescent. BRAC works with poor farmers, ethnic women and children and migrants. BRAC has developments activities in 11 countries (Bangladesh, Sri Lanka, Afghanistan, Pakistan, Philippines, Uganda, Tanzania, Liberia, Sierra Leone, South Sudan and Haiti). Stakeholders include donors, governments, partners, NGOs and various institutions.

Below is population coverage by various activities during the year 2012 in various countries:

Name of Country	Population Reached
Bangladesh	Over 120 million
Afghanistan	4.72 million
Pakistan	2.16 million
Sierra Leone	0.87 million
Liberia	0.57 million
South Sudan	0.93 million
Uganda	4.04 million
Tanzania	1.33 million
Sri Lanka	0.59 million
Philippines	11,868
Haiti (Technical Support Country)	0.04 million

2.8 Scale of reporting organization

Number of staff of BRAC globally in 2012 was 76,915. Besides 105,631 front line community health workers dedicated themselves to bridging the gap between the community and the established healthcare facilities. Also 38,273 teachers provided education to the disadvantaged students at BRAC schools. Below is breakdown of staff:

Country	Total
Bangladesh (Including project staff)	68,234
Afghanistan	2,437
Pakistan	1,013
Sri Lanka	623
Tanzania	1,237
Uganda	2,145
South Sudan	227
Liberia	418
Sierra Leone	507
Haiti	46
Philippines	28

Asset, liability, income, expenditure and surplus of all the countries are below:

Year 2012 US\$

Country	Income	Expenditure	Surplus*	Asset	Liabilities
Bangladesh	521,401,892	448,763,238	70,074,551	1,253,621,890	841,662,132
Afghanistan	14,211,705	14,417,825	(206,120)	11,293,183	11,249,031
Pakistan	4,829,563	5,671,563	(929,816)	10,698,883	12,093,097
Sierra Leone	2,844,000	3,808,000	(964,000)	4,401,000	1,571,000
Liberia	3,137,163	3,728,502	(591,339)	7,026,741	1,951,284
South Sudan	3,837,270	4,807,899	(970,629)	6,322,173	6,174,790
Uganda	20,388,908	16,298,608	4,090,300	35,278,755	18,721,544
Tanzania	12,833,467	10,571,565	2,261,902	25,765,544	19,330,013
Sri Lanka	3,095,135	2,785,824	309,311	9,793,132	5,216,234

Philippines	4,648,142	4,648,142	-	11,121,269	7,907,144
Haiti	1,285,101	1,285,101	-	699,820	436,288

* Profit/deficit after tax

2.9 Significant changes during the reporting period regarding size, structure or ownership

Following are the significant changes during the year 2012

- BRAC launched Integrated development programme (IDP) in 2012 aims to address the need of the most marginalized and deprived communities who are socially and geographically excluded from the mainstream development interventions in specific areas of Bangladesh.
- BRAC started education programme in Philippines.
- Aarong (BRAC's enterprise and a leading domestic designer store) launched two new outlets in Comilla and Moulvibajar of Bangladesh.

2.10 Awards received in the reporting period

Awards	Recipient
Institute of Chartered Accountants of Bangladesh (ICAB) awarded BRAC for preparing annual financial statements in accordance with international reporting standards.	BRAC
South Asian Federation of Accountants (SAFA) award for preparing annual financial statements in accordance with international reporting standards.	BRAC
Good Practices Award for Gender Quality Action Learning (GQAL) programme.	BRAC
GAVI CSO Special Recognition Impact Award at GAVI 5th Partners Forum in Dar-es-Salaam.	BRAC
2012 UNESCO Award of Excellence for Handicrafts in South-East Asia and Asia for jamdani stole, silk nakshi kantha table runner and bridal jewellery box	Aarong (One of BRAC enterprises)
2012 Financial Reporting (FiRe) Award	BRAC Uganda
Doctor of Laws Honoris Causa, The University of Manchester, UK. Sir Fazle Hasan Abed got this award for his outstanding services in tackling poverty and empowering the poor in Bangladesh and globally through BRAC, the organisation he founded and leads.	Sir Fazle Hasn Abed, KCMG (Founder & Chairperson)

REPORT PARAMETERS

Report profile

3.1 Reporting period

January 2012 to December 2012

3.2 Date of most recent previous report

BRAC became member in August 2013. This is the first time BRAC is submitting report.

3.3 Reporting cycle

Annual

3.4 Contact point for questions regarding the report or its contents.

S. N. Kairy
Group CFO, BRAC & BRAC International
Email: kairy.sn@brac.net

3.5 Process for defining report content

Report includes information regarding BRAC and BRAC International's activities, strategies, management, stakeholders etc. Report contents cover the fiscal year 2012. We tried to provide all the information which is appropriate and relevant for the report and which will be useful for all the stakeholders. BRAC assures the effectiveness and efficiency of operations, reliability of financial data and compliance of applicable rules, regulations and procedures. BRAC implement clear policies, procedures and guidelines, which allow us to be accountable and transparent as an organization. This report is written in the spirit of maximum disclosure. The countries provided necessary information for this report. Senior management gave their inputs essential for the report. This report should be read alongside the Annual Report 2012. BRAC & BRAC International annual reports are available at <http://www.brac.net/content/annual-report-and-publications#UjWEA9Kw2wM>. The annual reports contain audited financial statement and additional information.

3.6 Boundary of the report

The report contains topics and information of BRAC Bangladesh and other countries where BRAC has its activities. The report does not contain information about BRAC UK and BRAC USA.

3.7 State any specific limitations on the scope or boundary of the report

BRAC has operations in 11 countries. The report does not go to details of each programme of each country. We provided overall work carried out by BRAC. Besides, BRAC Bangladesh has

been highlighted more compare to other countries. BRAC has various social enterprises to help the fund of expenditure of development programmes in Bangladesh which are not much described in the report. BRAC also has investments to ensure financially profitable investments in socially responsible areas. All these investments have separate legal entities. Not much has been mentioned about the investments in the report. However, information on enterprises and investments are available in BRAC annual report and on BRAC website at <http://enterprises.brac.net/>.

3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.

Not applicable for BRAC

3.10. Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).

Not applicable for BRAC

3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

Not applicable as this is the first time BRAC is submitting report.

GRI Content Index

3.12. Table identifying the location of the Standard Disclosures in the report.

This report follows the format of GRI Level C Reporting Template.

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

4.1. Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

The general body of BRAC consists of 29 members. As per the Memorandum of Association and Rules and Regulations of BRAC, in the annual general meeting, the general body elects the governing body. The governing body consists of 10 members. Distinguished professionals, activists and entrepreneurs of excellent repute have been elected to the governing body to bring their diversified skills and experiences to the governance of BRAC. The governing body ensures the effectiveness of our internal management system and mechanisms for upholding the benchmarks of accountability and transparency. The governing body meets 4 times a year.

The governing body has three committees; Finance & Audit committee, Investment committee and Executive Management Committee.

Finance & Audit committee: The primary function of the Finance and Audit Committee is to assist the governing body in fulfilling its oversight responsibilities for:

- The financial reporting and budgeting processes
- The systems of internal controls and risk assessments
- Compliance with legal and regulatory requirements
- Qualifications, independence, and performance of the external auditors, and
- Qualifications, independence, and performance of the internal audit unit.

Investment Committee: The Investment committee oversees the BRAC investments, and consists of five members. Group CFO acts as the secretary of the committee.

Executive Management Committee: The Executive Management Committee (EMC) is the management decision-making committee convened by the Chairperson with members being the senior management team.

BRAC International governing body also consists of 10 members. The governing body has one committee; Finance & Audit committee. Details about the members of governing body is available on BRAC website at <http://www.brac.net/content/governance#.UkPAPdKw2wM>

4.2. Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement). Report the division of powers between the highest governance body and the management and/or executives.

All the members including the chair of Governing Body are non-executive.

Governing Body	Management
Has full control over all the affairs and property of BRAC.	
Determine vision, mission, values, strategy, rules and regulations	<ul style="list-style-type: none"> • Implement strategy at all levels of the organization. • Direct all the programmes/ projects to works towards the mission and vision. • Implement rules & regulation within the organization. • Implement policies, procedures and guidelines. • Responsible for effective and successful day-to-day operations.
Elect Chair of the governing body	
Appoint Executive Director and Managing Director	All the senior directors, CFO, directors and associate directors work under the supervision of Executive Director (ED) and Managing Director (MD). The senior management is accountable to ED and MD. Both ED & MD are responsible for effective implementation of development activities and enterprises.
Approve budget and appoint external auditor	Management manages fund efficiently, implement fund for various activities according to the budget and assist the external auditor.
Appoint members of various committees	Members of the committee work to fulfill the responsibility of the committee.
Take decision regarding establishing branch offices in any part of Bangladesh or aboard to promote the objectives of the society or to replicate its programmes and/or activities.	Execute the decision regarding establishing branch either in Bangladesh or aboard.

4.3. For organizations that have a unitary board structure, state the number of members of the and/ or non-executive members highest governance body that are independent and/or non-executive members.

BRAC governing body: All the members of governing body are non-executive.

BRAC international governing body: All the members of BRAC international governing body are non-executive.

The non-executive members have no financial interest in the organization or other potential benefits that could create a conflict of interest. They are elected to bring their diversified skills and experiences to the governance of BRAC. The non-executive members are unpaid volunteers.

4.4. Mechanisms for internal stakeholders (e.g., members), shareholders and employees to provide recommendations or direction to the highest governance body.

BRAC gets direction from internal stakeholders in the following ways:

- In BRAC annual general meeting the members provide directions, guidelines and feedbacks about the organization.
- Once a week (usually on Thursday) Executive Director and Managing Director has meeting with all directors and senior directors. In this meeting the directors give guidance and share programme activities.
- Usually on Sunday, Executive Director has meeting with General Managers and Heads of all programmes to get feedback from them.
- BRAC staffs have access to an intranet system where they can share information and communicate with others.
- BRAC staffs have regular departmental meetings to share and collect views of others.
- BRAC communication department published BRAC bulletin and 'Shetu' newsletter weekly and circulate among the staffs to keep them up-to-date about all organizational activities.
- Some departments also published quarterly programme bulletin/ progress report to inform staffs about program up dates and changes.

Stakeholder Engagement

4.14. List of stakeholder groups engaged by the organization.

List of stakeholders:

- Poor & ultra poor people and communities who experience poverty, Illiteracy, disease and social injustice;
- Disadvantaged, socially excluded and hard to reach population;
- Poor farmers, children, women, adolescents, youth, people/ communities affected by natural disasters, ethnic women & children in the hill tracts and migrants;
- Teachers, doctors, community health workers and volunteers;
- Civil societies, government alliances, local government & regulatory bodies;
- Financial institutions, NGOs, private sector institutions and suppliers;
- Strategic partners, knowledge partners & donors;
- Employees.

4.15. Basis for identification and selection of stakeholders with whom to engage.

BRAC has a wide range of activities. Different programmes work with different set of stakeholders. The stakeholder is selected base on the program's strategies. The programme itself gives direction with whom we should get engage to achieve the goals. Such as Agriculture and Food Security Programme work with poor farmers and the government to achieve and sustain food security. Usually staff and community together help to identify the stakeholders. All the programs ensure one broad objective that is serving the poor, disadvantaged and hard to reach population.

Donors: BRAC has good and long term relation with huge number of donors. Donors are selected in two ways; BRAC applies for grant and sometime donors show interest to finance projects.

PERFORMANCE INDICATORS

Program Effectiveness

NGO1 Processes for involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs.

BRAC ensures stakeholders involvement in designing development interventions, implementing programmes/ projects, monitoring progress and conducting impact assessment studies. Programmes are designed with input from people of grassroots level. BRAC conducts surveys before designing any project with the help of staff and community. After designing project, BRAC implement it in few areas as pilot project, monitor the progress and conduct impact assessment whether the project is fruitful for betterment of poor. If needed the project is re-design according the stakeholders requirement. After project is implemented, monitoring department conducts periodic analysis to determine whether the key activities are being carried out as planned and whether they are having expected outcomes. Examples are below which shows stakeholders involvement in implementing programmes:

Education: BRAC's education programme strategically adopted a lifecycle approach in 2012 to serve children, adolescents and youths, a population between the ages of 5-24 years. Parents, teachers and communities are also involved. Aligning with the government's plan to reach the Millennium Development Goal of achieving basic education for all, we are focused on fostering and strengthening partnership with government ministries, civil societies, development and private sector partners.

Community empowerment: BRAC empowers the poor, especially women, by mobilizing communities to translate awareness into action. Our basic approach strengthens rural communities by building community-based institutions to raise awareness and the voices of poor, while creating a platform for rural civil society and the local government to work together. Together, these interventions contribute to gender equality, democratic governance and socio-political empowerment of the poor. In 2012 BRAC launched a new initiative 'ideal ward' with the assistance of Polli Shomaj (a community based institution).

Standard operating procedures for emergency response: In 2012, BRAC pioneered a standard operating procedure (SOP), which is the first systematic guideline of its kind at BRAC with instructions to respond in different phases of a disaster. To enable the communities to follow this procedure, we trained 78,476 para-professionals, 42,503 school teachers, 250,880 community members and various other stakeholders.

Migration: In 2012 BRAC collaborated with various international coalitions, networks and alliances, and became a member of the UN NGO committee on migration. These collaborations and advocacy efforts, along with regular inflow of remittances, make the policymakers and

implementers more aware of migration issues, while help change the service-seeking behavior of potential migrants.

NGO2 Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies.

Complaints: BRAC believes transparency and accountability brings success to organization. To ensure transparency and accountability throughout the organization, BRAC emphasis on complaints mechanism. BRAC has an independent, well-managed mechanism for handling complaints. Staff or any stakeholder can complain regarding any issue. Details regarding handling complain is available in Human Resource Policies & Procedures (HRPP). Usually following process is followed to handle complaint:

Step1: Complaint is send to Director, Human Resource.

Step 2: Director Human Resource send the complaint to investigation team. Human resource department also inform relevant department director/head regarding the complaint.

Step 3: Investigation team conducts all the necessary process which are necessary to find out the authenticity regarding the complaint.

Step 4: The investigation report is send to Director Human Resource with opinion of Director, Admin, Monitoring & Investigation.

Step 5: A team is form with Director Human Resource, Director, Admin, Monitoring & Investigation and director of relevant department. The team provides opinion base on the report.

Step 6: Executive Director/ Managing Director gives final decision regarding the complaint.

Step 7: Human resource department implement the final decision.

Step 8: Anyone can ask ombudsperson to reconsider the decision.

Step 9: Executive Director/ Managing Director take final decision base on ombudsperson's report.

Ombudsperson: BRAC established its office of the Ombudsperson with a comprehensive mandate to investigate any incident of misadministration and misuse of power within the organisation. This includes grievances such as corruption, abuse of power or discretion, negligence, oppression, nepotism, rudeness, arbitrariness, unfairness and discrimination. The Ombudsperson maintains the highest level of confidentiality regarding complainants and complaints. The office prepares an annual report concerning the discharge of its functions and submits it to the Chairperson who then put the report before BRAC's governing body for their consideration. Mr Anis-uz-Zaman Khan, former Secretary-in-Charge of the Government of Bangladesh, has been appointed as the third Ombudsperson for BRAC for the period of November 15, 2010 to November 14, 2013.

Investigation unit: The investigation unit investigates complaints related to financial irregularities, violation of organizational rules and regulations, nepotism, indecent behavior and arbitrariness

across BRAC. It also investigates grievances from BRAC's stakeholders. In 2012, investigation unit investigated a total of 167 cases in Bangladesh throughout the year.

SHarE Unit: BRAC has developed Code of Conduct and Sexual Harassment Elimination Policy which are integral parts of BRACs value and culture. Sexual Harassment Elimination (SHarE) and Staff Relations unit of Human resource department plays a vital role in the organization to ensure a respectful, and friendly working environment. The unit facilitates the management of all the Grievance-related cases in BRAC, with a special focus on sexual harassment related grievances. This section is continuously working with a view of ensuring friendly working environment for the female staff especially.

Major Activities:

- Grievance Management.
- Dissemination of Sexual Harassment Elimination SHE Policy.
- Establishment of a free flow of information system.
- Assistance to the Ombudspersons Office.
- Follow up and Monitoring of grievance related decisions.

Feedback: BRAC always receives feedback from employees and stakeholders. Feedback ensures accountability. Department has meetings with the staffs to receive feedback on any issue. On regular basis, BRAC has meetings with donor, government, financial institutions, partners and other NGOs. Besides once a week/ month BRAC meets with the members whom BRAC provides various development services. BRAC also meets civil societies, communities and other stakeholders often to receive feedback.

NGO3 System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact) resulting changes to programs, and how they are communicated.

BRAC ensures effective control and transparency throughout the organization by monitoring, audit and evaluation process.

Monitoring: The monitoring department is an integral part of BRAC's internal control mechanism. The monitoring unit provides support to BRAC's development programmes, supporting departments and enterprises. In order to ensure transparency, the unit conducts periodic analysis, enabling the management to determine whether the key activities are being carried out as planned, and whether they are having the expected outcomes. In 2012, the department monitored 147 cases in Bangladesh through its monitoring unit and shared their findings to the relevant internal stakeholders.

Research and Evaluation (RED): Our research and evaluation division plays a critical role in development intervention, monitoring progress and conducting impact assessment studies. The

department reviews the progress of projects and communicates the finding with relevant departments. It provides an analytical basis for BRAC's programmatic decisions, fine-tuning it for better performance and making development efforts evidence-based, effective, and community-sensitive. RED also helps us with ways to scale up the identify new areas of interventions. The department shares lessons learnt by publishing reports and working papers.

NGO4 Measures to integrate gender and diversity into program design and implementation, and the monitoring evaluation, and learning cycle.

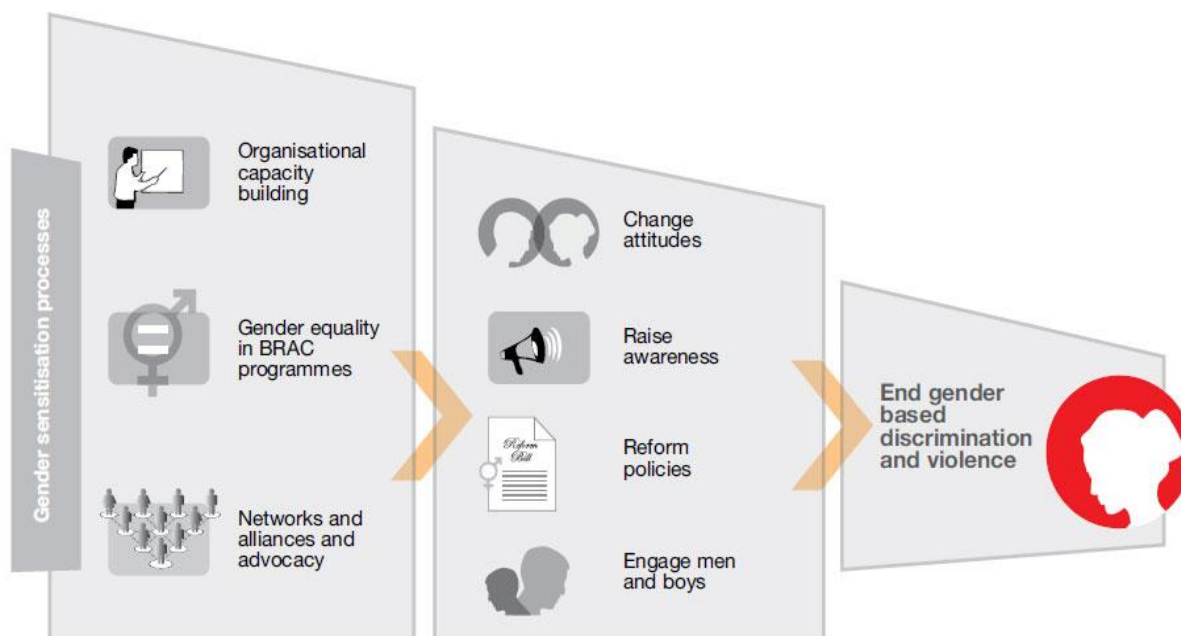
BRAC Gender Justice and Diversity (GJD) programme works to integrate gender justice into its programmes and eliminate gender inequality from the society. GJD works simultaneously within the organisation and with the communities. It strives for equality, diversity and inclusiveness within BRAC; improves gender relations and empowers women at the household level across many of BRAC's programmes; and works to ensure that girls and boys are equitably nurtured to their full potential from pre-primary through secondary school. It helps to build a gender-friendly working environment. It also promote gender equality and work to prevent violence against women at the national level by influencing government policies and agendas, organizing public forums and events, and leveraging national and international alliances for gender justice. GJD also works towards integrating gender into various programmes/ projects. Such as in 2005 gender become a component of CFPR in 2008 GJD developed gender analysis framework for Water, Sanitation & hygiene (WASH) programme etc.

Goal

Promote gender equality, empowerment and inclusiveness within BRAC as well as within the wider community.

Objectives

- To promote a culture and environment, inclusiveness within all programmes, that respects gender equality;
- To build capacity of staff to achieve BRAC's goal of gender equality;
- To create a platform for community mobilization against gender-based discrimination and domestic violence, sexual harassment at the workplace and public-place;
- To promote sexual and reproductive health rights within the society;
- To increase policy advocacy networking for women's rights, both nationally and internationally.



The department ensures the following to integrate gender and diversity in to BRAC:

Gender Policy (GP) and Sexual Harassment Elimination (SHE) Policy: GJD is primarily responsible for overseeing and monitoring the implementation of the Gender and SHE policy. The section has also been providing technical assistance within the organisation through policy review, awareness rising against sexual harassment, organizing different workshop, training, forums etc. GJ&D developed a Gender Policy Operational Guideline (GPOG) to focus with different level staff responsibility to implement the Gender policy. It is in the process to develop a Gender Analysis Framework recently to mainstream the gender justice goal throughout BRAC.

Assist in implementing a 'zero tolerance' policy on sexual harassment within the organisation: BRAC has adopted a 'zero tolerance' policy to any form of sexual harassment and abuse at the work place. GJD formulated a Sexual Harassment Elimination (SHE) Policy in 2004 - one of the firsts in Bangladesh to address the sexual harassment and take punitive actions in organizational level. Later it was upgraded and reprinted in 2008. BRAC is committed to follow the honorable High Court Division's (HCD) guideline against sexual harassment that was promulgated on May 14, 2009. As part of the commitment, the SHE policy has been reviewed addressing the organizations present concern. Through Gender & SHE policy orientation and different campaign activities, GJ&D creates awareness which helps to implement 'zero tolerance' policy on sexual harassment within the organisation.

Inclusion of Gender issues into program through Gender Focal Points (GFP): Gender Focal

Points (GFP) are responsible to address gender equality through their programme interventions following Gender Policy. GFPs are nominated by the respective programme/ department, and play a vital role to ensure equal and fair working environment for both men and women. They try to retain and increase women staff in their programme and department and organize Gender Policy, SHE policy orientation, National Women Development Policy discussion and other conceptual discussion within their respective programme. GJD provides continuous support in the capacity development of GFPs in regards to gender related issues, women's empowerment, gender analysis, and gender mainstreaming strategies, etc.

Mon Khule Katha Bola Forum (To listen to the voice of the staff): To promote a gender sensitive working environment and deal with unfavorable and insensitive attitude among the staff, Mon Khule Katha Bola Forum was designed to address staff concerns, frustrations and work place problems. GJ&D approaches with the findings from a sharing forum to bring the concerns to the line management for necessary solutions and inclusion of the findings in policy review. GJD welcomes counseling and motivation of the staff in difficulties. This forum ensures the confidentiality, trust and friendliness among the participants and forwards their problem solving from management aspects.

GENDtalk: GENDtalk Lecture Series is a new event of GJ&D that aims at helping the BRAC staff to enhance their level of knowledge and understanding on a range of issues related to gender and development. The GENDtalk is organized on a quarterly basis.

DOLNA (Day care centre for learning, nurturing, and advancement): Day Care Centre of Learning Nurturing and Advancement (DOLNA) was established to ensure smooth participation of working mothers, and enable them to continue their job retention. DOLNA encourages and ensures child's rights to breast-feeding, safe and secure environment for child care and development. The crèche also inspires men to let their wives retain employment.

NGO5 Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns.

Advocacy is one the fundamental activities of BRAC. BRAC has advocacy unit to conduct and support all sort of advocacies of various programmes/ projects. BRAC's advocacy for social change programme promotes behavioral change amongst individuals, communities, organizations, government officials, and policy makers regarding policies and practices to improve the overall human rights scenario in Bangladesh.

Advocacy for community empowerment: BRAC aims at achieving socio-political empowerment of the rural poor, particularly women, by enabling them to build, secure and use socio-political assets to improve their wellbeing, exercise their rights, take advantage of new opportunities and play a more active role in public life. We utilize community media such as Popular Theatre and Community Radio to disseminate information to rural communities and mobilize them on a wide

range of issues that affect their lives. Popular Theatre is an effective advocacy tool for disseminating information to the communities, particularly to the illiterate, through entertainment. In 2012, 154,670 shows staged by our popular theatre groups. Radio Pollikontho, a Community Radio Station located in the north-eastern part of Bangladesh is an initiative of BRAC. The radio station covers a radius of 17 kilometres reaching approximately 400,000 rural citizens in the Moulvobazar district. Radio Pollikontho programmes are designed to address socio-economic issues within the community.

BRAC engages with the local government to improve local governance through capacity building and institutional strengthening, gender sensitization, formation of forums of elected female representatives, and advocacy initiatives. Our objective is to help local government to become more transparent and responsive to the needs of the poorest.

Advocacy for Access Promotion of the Ultra Poor (APUP): APUP mobilizes relevant stakeholders for enhancing regular attendance of the ultra poor children in primary education and increasing their accessibility to GO Services (health, livestock & social safety net programmes). This new project is going to be implemented at the grassroots level of 20 upazilas of Rangpur, Khulna, Naogaon and Sunamganj districts from 2013 to 2015.

Advocacy Addressing Violence against Women: Addressing violence particularly Violence against Women (VAW) through building community awareness, community mobilization for prevention and coordinating support to victims is a key area of BRAC. BRAC approach involves mobilizing and engaging rural communities to monitor and prevent human rights violations towards creating a safer environment, particularly for women and children. We create awareness among the communities and mobilize them for protesting and preventing violence against women. Furthermore, district level GO-NGO service providers' coordination workshops are organized at regular intervals. The Joint Programme on Violence against Women project has been initiated with the aim to improve the overall gender based violence situation, particularly violence against women, through a comprehensive set of activities involving awareness raising and capacity building, developing networks and partnerships, policy advocacy, survivor support and establishing a database on violence against women in 6 districts presently covered by the REOPA project of UNDP.

Advocacy for gender equality: BRAC advocacy for gender justice and equality. Details are available in NGO4. Besides, BRAC works with different alliances and forums to influence policy makers to formulate and revise laws, rules and regulations against all types of gender based violence, and also for policy advocacy. Following are example:

- At the invitation of the Ministry of Planning, BRAC reviewed the national sixth five-year plan with a gender focus, and made specific recommendations for improving the plan, as well as for the implementation strategy.

- BRAC reviewed the Microfinance Regularity Authority (MRA) Act from a gender perspective which has now been accepted as government policy.
- In BRAC is also an active member of Social Action Committee (a platform consisting of 67 development organisations), citizen's initiative on CEDAW, Bangladesh (a national platform of 38 rights organisation, working on CEDAW and international treaties); WE CAN CAMPAIGN (working to end domestic violence against women and children), National Girl Child Advocacy Forum (working on different girl child issues), and Campaign for Popular Education, a national coalition of NGOs working towards the implementation of programme interventions in the education sector including the education curriculum.
- In 2012, BRAC initiated to form and lead a new platform to combat against child marriage with other organizations (Care, Plan, Population council, ICDDR, BLAST, LAMP, FPAB, white ribbon alliance Bangladesh, Marie Stopes etc.)

Advocacy for human rights & legal aid services: BRAC's is dedicated to protecting and promoting human rights of the poor and marginalised through legal empowerment. The blend of legal literacy initiatives with comprehensive legal aid services throughout the country helps spread awareness needed to mobilize communities to raise their voices against injustices, discrimination and exploitation – whether at the individual or collective level. Our programme creates an enabling environment for the poor and marginalised to seek equitable justice through formal and informal systems. Our grassroots volunteers are drivers of our rights awareness raising efforts countrywide. We arrange workshops with community leaders aim to develop human rights awareness.

Advocacy unit also supports BRAC's health and migration programmes, the advocacy programme will expand its area of work in education, agriculture and road safety in 2013. In 2012, the advocacy programme initiated the second phase of its communication for development project, in partnership with UNICEF. Under the ultra poor project, advocacy programme held over 1,000 social communication activities, including popular theatre shows and talk shows, reaching nearly 200,000 people across Bangladesh. Under the health project, 71 media mobilization activities, such as media fellowships, talk shows and round tables with journalists were held, reaching 5,752 people in the process.

NGO6 Processes to take into account and coordinate with the activities of other actors.

BRAC understand the importance of coordinating and working with other actors. Developing partnership with other actors enriches knowledge and often results in greater output. Some organizations are expert in certain services. Working in collaboration with these organizations help to increase knowledge and effectiveness of project/ programme. BRAC also collaborate with academic and research institutions and other development organizations to gauge the effectiveness of our interventions. BRAC also believes that working with other actors help to

build a world free from poverty and exploitation. Few examples of working with other actors in year 2012:

- BRAC implemented USAID's horticulture project in the southern part of Bangladesh, in collaboration with the International Potato Centre and Asian Vegetable Research Development Centre (AVRDC). The project aims to increase income of and nutrition for the poor farmers through the value-chain development of potato, sweet potato and selective vegetables.
- BRAC initiated a second crop diversification project in collaboration with Asian Development Bank and the Ministry of Agriculture, Government of Bangladesh. Launched in March 2012, in 52 sub-districts of 27 districts, this project has good potential for high-value crops.
- British Council teaches English to our adolescent club members and support BRAC to facilitate secondary school students to participate in the national youth parliament.
- BRAC partnered with Bangladesh Industrial Technical Assistance Centre by providing livelihood training and creating job opportunities for 450 adolescents. Adolescents and youths, who graduated from skills-training and completed informal apprenticeships, were certified by Bangladesh Manpower Employment and Training.
- In year 2012, BRAC focused both on maternal and adolescent nutrition. Supporting the global scaling up nutrition (SUN) movement, we collaborated with various stakeholders to advocate prioritization of nutrition in the national health agenda.
- Under the stewardship of the National Tuberculosis Programme (NTP), our TB control programme expanded to include childhood TB, multi-drug resistant strains, tobacco cessation, and HIV co-infection. TB programme directly operates in 47 districts as the lead agency for all partner NGOs in Bangladesh, serving more than 92 million people.
- BRAC collaborated with various international coalitions, networks and alliances, and became a member of the UN NGO committee on migration. These collaborations and advocacy efforts, along with regular inflow of remittances, make the policymakers and implementers more aware of migration issues, while help change the service-seeking behavior of potential migrants.

BRAC has development partnership with many institutions:

Strategic partnership: AusAID and DFID

Government Alliances: Ministry of Fisheries & Livestock
Ministry of Food and Agriculture

Ministry of Health and Family Welfare
Ministry of Social Welfare of Bangladesh
Ministry of Foreign Affairs
Directors General of Health Services
Department of Agricultural Extension
Ministry of Women and Children Affairs
Ministry of Youth and Sports
National Institute for Local Government
Tongi Paurashava
All Party Parliamentary Group
Bureau of Manpower Employment and Training
Ministry of Expatriate Welfare and Overseas Employment
Bangladesh Overseas Employment and Services Limited
Bureau of Manpower, Employment and Training

Knowledge Partners: The George Washington University
Yuan Hi-tech Seed Co. Ltd
Bangladesh Rice Research Institute
International water and Sanitation Centre
IFTDO
Bangladesh Agricultural Research Institute
Center for Policy Dialogue
IRRI
World Vision
World Fish Center
Transparency International Bangladesh
International Food Policy Research Institute
Save the Children

Economic

NGO7 Resource allocation.

Budget is prepared annually with inputs from all programmes. Finance & Audit committee reviews and recommends the budget for approval. Then Governing body approves the budget. Resources are allocated according to the budget.

Funds have been classified within two categories - temporarily restricted and unrestricted.

- Temporarily restricted assets - Assets subject to donor-imposed restrictions that permit BRAC to use or expend the assets as specified. The restrictions are satisfied either by the passage of time and/or by actions of BRAC. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, any balances of temporarily restricted net assets are either returned to donors in accordance with donor

agreements or utilized consequent to donor and management agreements on a temporarily restricted or unrestricted basis. In cases where restrictions expire, it is BRAC's policy to effect the reclassification of assets from temporarily restricted net assets to unrestricted net assets via transfers within the balance sheet.

- Unrestricted net assets - Net assets that are not subject to any donor-imposed restrictions or which arise from internally funded activities. This category of net assets include amongst others, amounts designated by BRAC for income generating activities, programme support enterprises, micro-financing activities and self-financing social development activities.

BRAC's Head Office overhead expenses are allocated to various projects and programmes at a range of 7% to 10% of their costs, based on agreement with donors or management's judgment.

Total expenditure during the year 2012 is following

Expenditure	BDT	US\$
Income generating projects	6,988,350,392	89,594,236
Program supply enterprises	3,638,907,643	46,652,662
House property	93,188,884	1,194,729
Education programme	4,277,356,983	54,837,910
Ultra poor programme	2,045,763,985	26,227,743
Community empowerment programme	217,227,040	2,784,962
Human right & legal aid services	195,539,238	2,506,913
Policy advocacy	39,777,955	509,974
Health programme	3,710,271,278	47,567,580
Water Sanitation & hygiene programme	1,339,321,154	17,170,784
Gender justice & diversity programme	138,151,582	1,771,174
Micro finance programme	11,714,555,867	150,186,614
Agriculture & food security	264,294,222	3,388,387
Other development projects	340,826,334	4,369,568
Total expenditure	35,003,532,557	448,763,238

To ensure proper utilize of fund and transparency BRAC conducts the following:

Internal Audit: The internal audit department is an independent unit within BRAC which undertakes risk-based internal audit and compliance to maintain transparency and accountability across the organisation and is directly reportable to the finance and audit committee. The department independently examines and evaluates BRAC-wide activities to assist management with advice on operational efficiency. It also assesses the effectiveness of BRAC's management control, governance and risk management services. The department's services include routine audits, system audits, special audits, investigations, and annual

inventory verification. An audit review committee reviews the work of the department to ensure greater transparency and accountability.

In the future, the internal audit department plans to undertake an IT audit, surprise audit, quality assurance and construction audit. In 2012, the department completed 11,416 audit spots, while establishing six divisional offices. The internal audit department also conducted e-reporting, managerial peer review, implementation of internal audit manual, planning of documentation, CPD reports, risk ranking reports, and a legal and compliance audit. In 2012, auditors audited 302 cost centres in Tanzania, 914 cost centres in Uganda, 97 cost centres in Sierra Leone, 129 cost centres in Liberia, 161 cost centres in Pakistan, 506 cost centres in Afghanistan and 38 cost centres in South Sudan and highlighted several issues for management action.

External Audit: Each year BRAC conducts audit by external auditors. Governing body appoints external auditor. The Annual General Meeting of BRAC held on June 04, 2012 have approved the appointment of S F Ahmed & Co, Chartered Accountants, Bangladesh and Ernst & Young, Chartered Accountants, Malaysia as the joint auditors for annual audit of BRAC for the year ended December 31, 2012. Auditor Zeeshan Ali & Co audited BRAC Afghanistan financials, Expert Conseils et associés audited BRAC Haiti financials, Baker Tilly audited BRAC Liberia and KPMG audited rest 7 countries financials for the year 2012. The audited financials 2012 of all the countries are available on BRAC website at <http://www.brac.net/content/annual-report-and-publications#.UjqAMtKw2wM>

Besides donor also sometime appointed auditors for specific project.

NGO8 Sources of funding by category and five largest donors and monetary value of their contribution.

BRAC financial year is from January to December. In this report we provide financial information for the year January to December 2012.

In the year 2012, BRAC Bangladesh total income was US\$ 521,401,892, consisting of:

- Donor grant: \$ 151,952,798
- Revenue from income generating projects: \$100,786,623
- Revenue from program support enterprises: \$52,874,996
- Service charges on microfinance loans: \$189,422,226
- Interest on Bank account and fixed deposits: \$16,390,469
- Investment income: \$1,627,517
- Other income: \$7,055,970
- Income from house property: \$1,291,292

Income breakdown of other countries are following:

Income	Afghanistan	Pakistan	Philippines	Sri Lanka	Haiti
Donor Grant	13,551,065	30,915	4,646,100		1,283,507
Transfer From restricted Grant		691,457			
BRAC Contribution					
Service Charge on Loan		4,015,968		2,897,753	
Fees and Other Charges		29,263		54,332	
Interest Income		23,079	2,042		
Foreign Exchange Gains					
Other Income	660,640	38,881		143,050	1,594
Total Income	14,211,705	4,829,563	4,648,142	3,095,135	1,285,101

Income	Liberia	Sierra Leone	South Sudan	Tanzania	Uganda
Donor Grant	1,308,392	1,443,000	3,607,816	702,262	7,322,837
Transfer From restricted Grant					
BRAC Contribution				202,342	
service Charge on Loan	1,575,699	1,138,000			10,068,205
Fees and Other Charges	79,066	69,000	7,351	554,861	551,519
Interest Income			162,845	11,005,274	1,026,909
Foreign Exchange Gains			38,649		136,427
Other Income	174,006	194,000	20,609	368,736	1,283,011
Total Income	3,137,163	2,844,000	3,837,270	12,833,475	20,388,908

Top 5 donors

Name of Donors	Name of Foreign Currency	Foreign Currency
Department For International Development (DFID)	GBP	51,095,782
AudAid	Aus \$	50,500,000
Embassy of the Kingdom of the Netherlands (EKN)	Euro	15,613,628
The Global Fund	USD	14,022,202
Canadian International Development Agency (CIDA)	CAN \$	6,484,597

Largest Strategic partnership

Donor	Amount (US\$)	Amount (BDT)
DFID	80,451,940	6,387,884,049
AusAID	53,714,643	4,264,942,700
Total	134,166,584	10,652,826,749

Grant Composition: Total grant in 2012 was US\$ 194 million

Donor	Percentage
NOVIB/ EKN	11%
DFID	43%
The Global Fund	7%
EC	1%
UNICEF	2%
BRAC USA	1%
AusAid	28%
Others	7%

EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.

BRAC Human Resource Division (HRD) is responsible for all sort of appointment. HRD always tries its best to recruit the competent and knowledgeable staff who will contribute to BRAC's vision. BRAC prefers hiring local staff. BRAC Bangladesh all the staffs of senior management are Bangladeshi. For BRAC International 3- 4% are expatriate, rest are locally hired. Details of hiring process are available on www.brachrd.org and Human Resource Policies & Procedures (HRPP). The breakdown of local and expatriates staffs of each country is available in LA13.

In 2012, BRAC participated in job fairs in various universities to represent BRAC and attract talent. We launched e-recruitment, an online system that enables candidates to apply electronically. The system notifies candidates via SMS for interviews.

Environmental

EN16 Total direct and indirect greenhouse gas emissions by weight and EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.

BRAC does not have any project which is directly related to greenhouse gas emissions. But BRAC started solar in 1998 as one of BRAC's green enterprises. BRAC's solar enterprise supplies an eco-friendly renewable source of energy to people in rural Bangladesh who live in off-grid areas. The power grid that supplies the greatest proportion of electricity in Bangladesh to date does not cover all areas of the country. There are many rural areas that are still not connected to the public power supply and thus, irrespective of affordability, electricity is inaccessible to many people in these areas. As a result, the affected communities would have to limit many of their activities to those hours of the day with daylight.

BRAC Solar initially provided a basic package of solar energy, able to supply power for two LED bulbs, allowing adults to extend their work day and children to prolong their study time. This package also decreased the amount of crude oil used to light gas lamps, which provide only

insufficient light, are expensive to maintain and pose a fire hazard. In 2012, solar enterprise introduced building solutions, home system accessories and instant power supply.

BRAC started Recycled Handmade Paper (RHMP) in 2000 with an aim to help prevent environmental degradation by targeting the corporate urban market in Bangladesh to recycle their paper waste. Today BRAC RHMP operates as one of BRAC's three Green Enterprises, and produces synthesized paper products from recycled materials, such as, used papers, stalks of wheat, hay, water hyacinth, caustic soda, dye, barley, glue and cotton. BRAC also has nursery enterprise.

Labor

LA1 Total workforce, including volunteers, by employment type, employment contract, and region.

BRAC has highly skilled workforce both at head office and field offices. The staffs are committed and committed to organization's mission and values. The staffs run the programme effectively and smoothly. The staffs' devotion and loyalty for the programme ensure success of programmes/ projects.

Total staff of BRAC Bangladesh

Category	Total
Full time staff	47,142
Teachers (Education programme)	38,273
Project Staff	21,092
Total Staff	106,570

Total staff of BRAC International

Country	Total
Afghanistan	2,437
Pakistan	1,013
Sri Lanka	623
Tanzania	1,237
Uganda	2,145
South Sudan	227
Liberia	418
Sierra Leone	507
Haiti	46
Philippines	28

Voluntary Work for Professionals

BRAC offers volunteer program to whom has professional work experience and can contribute

to the work of the department by demonstrating their skills, experience and insight, where applicable. Volunteer has to work for minimum 6 months.

BRAC Internship

BRAC offers internship on the basis of the need in our various programmes to meet the expectations of both the interns and the programme itself. Internship duration can vary based on the requirement of the programme or the project assigned, however, not less than three months. Interns are placed into departments align with their interests and they are involved in research, administrative support, occasional to frequent field visits, preparation of communication materials.

Research fellowship/Full bright Scholars/Institutional Agreements with BRAC Internship

BRAC receive profiles from academics, Masters and PhD candidates and research fellows from different renowned institutes around the world, expressing interest for research/internship with BRAC. We believe they are the potential ambassadors of BRAC, and would like to provide them opportunity to work with us.

LA10 Average hours of training per year per employee by employee category.

BRAC is committed to capacity development and professionalism of BRAC employees and programme participants through a wide range of human development and management training. We deliver training and learning programmes through 19 residential learning centres across Bangladesh, accommodating approximately 3,000 participants per day. We also contribute to the capacity development of government and development organizations at home and abroad.

Currently, with 106 faculty members (25 percent of whom are women), we provide tailor-made training and consultancy services to our employees around the world. In 2012, we trained a total of 757,504 participants and accommodated 131,153 participants in our learning centres for training, meetings and workshops. Among these participants, 3,889 were from external agencies, having participated in around 24 training courses. Our training materials are increasingly prioritizing effective performances. Our academic pillars for the last two years consist of three major areas: leadership development, social capital development, and sustainable development.

In 2012, we established a case-bank to enrich learning resources and computer labs at learning centres to provide ICT training. In addition to that, we established a training, monitoring, evaluation and quality assurance unit as well as a material development unit. Capacity development of faculty members has been reinforced. We are exploring e-learning methods for training, as well as opportunities to strengthen our collaboration with BRAC University, Aarong, Ayesha Abed Foundation and BRAC's enterprises.

In 2012, amounts spend for training in Bangladesh is below:

	BDT	US\$
Teachers' training	225,067,977	2,834,609
Members' training	525,299,777	6,615,866
Staff training and development	567,382,020	7,145,869

LA12 Percentage of employees receiving regular performance and career development reviews.

All employees (100%) received an annual performance appraisal in 2012. The appraisal includes objectives agreed by staff and supervisors, key achievements, internal and external constraints/ challenges, supplementary activities outside job role, international exposures, activities, professional development, training, leadership skills and values etc. Objective for the following year is also provided in the form. Staff and line manager has 1:1 meeting during the performance appraisal. The annual appraisals are submitted to Human resources department. The performance committee reviews the performance appraisal of all the staffs. Senior managements are evaluated by 360 degrees feedback as part of performance appraisal.

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

Governing Body

BRAC governing body consists of 10 members. Distinguished professionals, activists and entrepreneurs of excellent repute have been elected to the governing body to bring their diversified skills and experiences to the governance of BRAC.

Gender		Nationality	Age break down		
Female	Male	Bangladeshi: 9	Below 50	50-70	Above 70
4	6	American: 1	0	4	6

BRAC international governing body consists of 10 members.

Gender		Nationality	Age break down		
Female	Male	Bangladeshi: 7	Below 50	50-70	Above 70
5	5	Indian: 1	0	9	1
		American: 1			
		Dutch: 1			

Senior Management

Female	7
Male	15

Total staff of BRAC Bangladesh

Category	Female	Male	Total
Full time staff	10,875	36,267	47,142
Teachers (Education programme)	38,004	269	38,273
Project Staff	19,802	1,290	21,092
Total Staff	68,681	38,826	106,570

Total Staff of BRAC international

Country	Female	Male	National	Expatriate	Total
Afghanistan	769	1,668	2,340	97	2,437
Pakistan	676	337	976	37	1,013
Sri Lanka	543	80	620	3	623
Tanzania	885	352	1,170	67	1,237
Uganda	2053	362	2,335	80	2,145
South Sudan	73	154	194	33	227
Liberia	283	135	375	43	418
Sierra Leone	333	174	462	45	507
Haiti	17	29	42	4	46
Philippines	8	20	20	8	28

Society

SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.

BRAC is committed to empower communities in situations of poverty, illiteracy, disease and social injustice. Most of BRAC projects work towards betterment of community. Various departments prepared projects and submitted it to Executive Management Committee (EMC) for approval. EMC review the project and send it to the Governing body with recommendation for approval. Then board review the project and approve it.

BRAC work very closely with communities to design the program which will bring betterment for the poor. BRAC conducts surveys before designing project with the help of staff and community. BRAC spends time with donor for projects which are financed by donor fund. BRAC signed agreement with donor regarding various aspects of the projects. BRAC implement the project in few areas as pilot project, monitor the progress and conduct impact assessment whether the project is fruitful for betterment of poor. If needed the project is re-designed according to

community requirement. After project is implemented, monitoring department conducts periodic analysis to determine whether the key activities are being carried out as planned and whether they are having expected outcomes.

Community members are selected by community and BRAC together. Community members represent the voice of the whole community. Most of our community members are women. Programmes that involve community members are below:

BRAC has a programme name Community Empowerment who works to empower the community. One of our basic approaches strengthens rural communities by building community-based institutions (polli shomaj) to raise awareness and the voices of poor, while creating a platform for rural civil society and the local government to work together. We strengthen the process by addressing violence against women to create safe communities for women and children and increase the poor's access to information by using interactive communication tools. BRAC also works with community to eliminate gender inequality from the society. Such as, MEJNIN (*Meyeder Jonno Nirapad Nagorikotto* - safe citizenship for girls) project underwent massive expansion in 2012, targeting 120,000 students in 400 secondary schools across the country. A total of 28,800 teachers, parents and community watch group members are engaged in MEJNIN to build awareness and confidence of students and community members to protect and protest against sexual harassment at public places. For its remarkable impact, GJD's gender equality action learning project received the Good Practice Award by the Ministry of Women & Child Affairs of Bangladesh and UNFPA in 2012.

BRAC's human rights and legal aid services creates an enabling environment for vulnerable and excluded communities to seek justice through formal and informal systems. We have mobilized communities by arranging workshops to sensitize local community leaders on human rights issues, so that the benefits of our justice services can be sustained beyond our intervention period. Participation in our local community leaders' workshops has increased from 302,798 in 2011, to 317,147 participants in 2012.

Under health, nutrition and population programme community health workers creates an effective bridge between underserved communities and formal healthcare systems including BRAC-run health facilities, for improving access, coverage, and quality of health services in communities across the country. In 2012 under disaster, environment and climate change programme BRAC trained 250,880 community members and various other stakeholders on how to respond in different phases of a disaster. In 2012 BRAC's launched integrated development programme (IDP) aims to address the need of the most marginalized and deprived communities who are socially and geographically excluded from the mainstream development interventions in specific areas of Bangladesh.

SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.

BRAC has anti money laundering policy which applies to all staff of BRAC. The policy sets zero tolerance to money laundering, corruption and fraud. BRAC provides training to staff regarding anti money laundering policy. All mid management and above received training on anti money laundering policy.

Product Responsibility

PR6 Programs for adherence to laws, standards, and voluntary codes related to ethical fundraising and marketing communications, including advertising, promotion, and sponsorship.

BRAC raise fund basically through following processes:

1. Grant application: BRAC applies for grant or fund for various projects.
2. Often donor contacts BRAC directly, express their interest about financing various development projects. If terms & conditions match with BRAC and interested to conduct the project, then we accept the fund.

Besides, BRAC has independent charity in UK and USA to raise funds for BRAC globally. BRAC has good relationship with lots of donor who always shows interest to fund BRAC's project. BRAC adhere the entire legal and regulatory requirement before accepting fund. BRAC has strategic partnership with Australian Aid and UKaid. In 2012, major institutional donors were UNICEF, Canadian International Development Agency (CIDA), The global Fund, Kingdom of Netherlands and European union. Executive Management Committee reviews all the projects including donor's details. Governing body approved the projects.

Annexure 1: BRAC Organogram

