

# Facilitating sustainable financial inclusion: the experiences of Samriddhi

Country: Bangladesh

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## Context

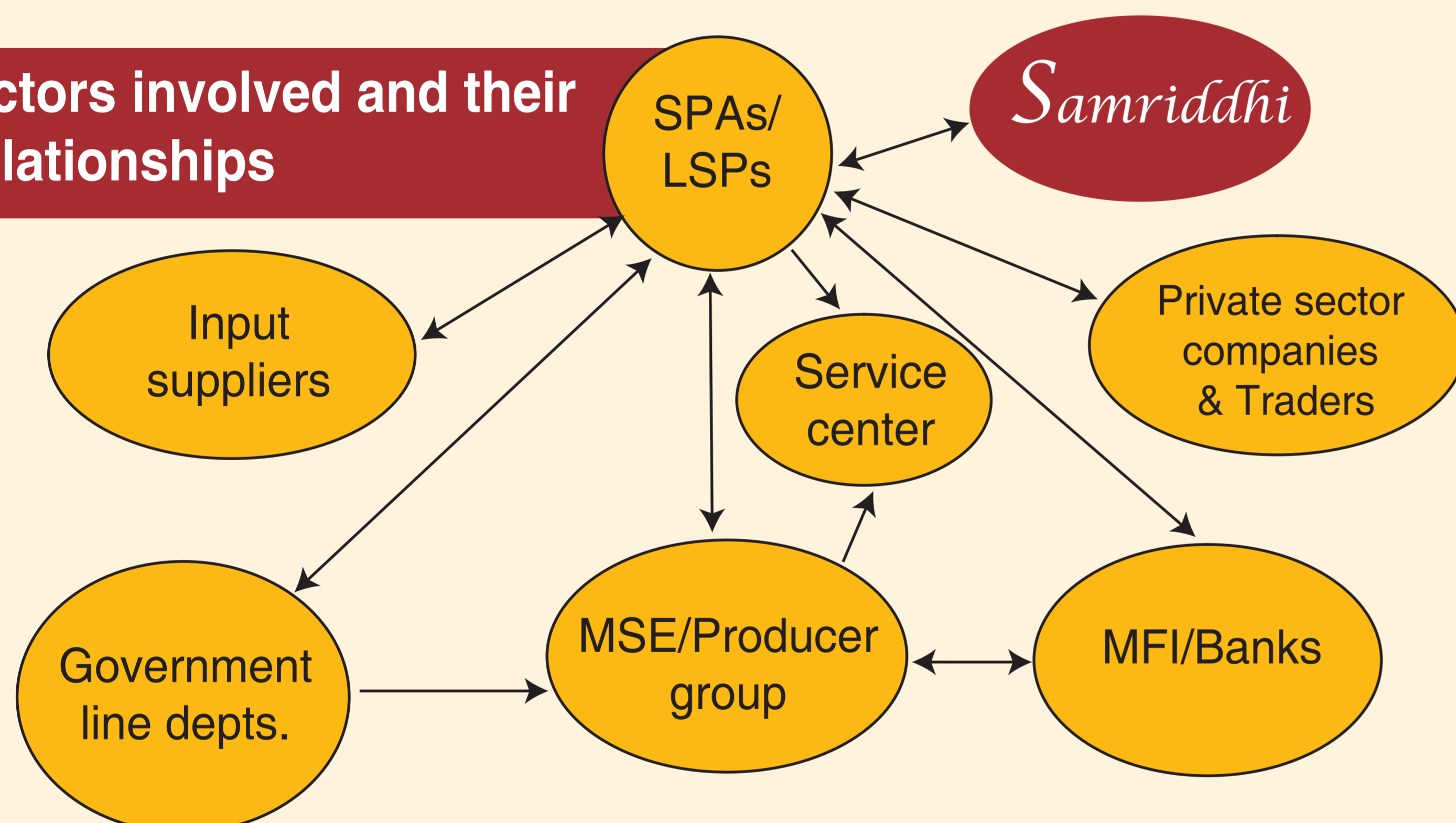
- Most agricultural products are seasonal; income is generated over the long term for loan repayment
- Bangladesh is the pioneer of rural microfinance; more than 2,500 Microfinance Institutions (MFIs) are active in rural Bangladesh
- However, most loans are small, short-term and repayments are weekly, not tailored to the business cycles of agricultural producers
- Only 7% of small businesses such as Micro and Small Enterprises (MSEs) are served by formal credit providers
- Poor women and men often do not know the process; they lack financial literacy and the bargaining power for better financial products and services



## Key features

- Facilitation for the poor and extreme poor to get suitable products and services as well as the skills and knowledge they need to start or grow their enterprises
- Addressing the constraints by broadening the sources (from MFIs to traders and banks) and types (both cash and in-kind) of products and services
- Facilitation to increase the financial literacy and organisational capacity of the Local Service Providers (LSPs) to provide demand-responsive and quality services to producers

## Actors involved and their relationships



## Success factors & scaling up potential

- Collective action contributes to better bargaining power for producers and less risk for financial product and service providers
- Tailoring financial inclusion with business management and technical skills enhances efficient and effective use of products and services
- Broadening the types of financial products and services increases the access and usage of financial products and services by producers
- Diversifying the sources of financial products and services offers options and opportunities to effectively use the loan as working capital
- Gender sensitive financial inclusion requires understanding the degree of access to financial products and services is determined by the social status (widows, single women) and age of women



Actors	Role
MFIs and banks	Financial product and service providers
Producers' groups/MSEs and their networks	Producing, selling and buying of products, labour and inputs in different value chains
LSPs and Service Providers' Associations (SPAs)	Provide holistic package of services (technical, business and financial)
Private companies	Large (lead firms), medium and small enterprises in the input and output markets
Local traders and inputs providers	Large and small traders engaged in buying and selling of inputs and products
Government line agencies	Specialised line agencies in different sub-sectors; provide technical and advisory services

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