

## **BRAC International Taps Capital Markets to Launch a Debt Programme with support of Global Partnerships and Proparco**

- The international arm of one of the world's largest development organisations, BRAC, has launched a debt programme that will secure financing for its microfinance operations for the coming decade.
- Two investors - Global Partnerships and Proparco - have led the launch of the programme.
- The aim of BRAC International Microfinance and their investors is to provide far wider financial access and support to clients, primarily women living in poverty and hard-to-reach areas, across Africa and Asia.
- The timing of the programme is particularly important to support low-income communities as they rebuild their livelihoods recovering from a global pandemic and strengthening their financial resilience.

BRAC International Microfinance has launched a transformative international debt programme, to tap capital markets for securing reliable and consistent funding that will allow it to grow significantly in existing countries and expand into three new countries over the next five years. By 2026, BRAC International Microfinance is expected to grow its client base by more than one million, the majority of whom will be women living in poverty in rural and hard-to-reach areas.

BRAC was founded in Bangladesh in 1972 by Sir Fazle Hasan Abed and it is acclaimed as one of the largest, most innovative, and impactful development organisations of the world. BRAC has been one of the pioneers of microfinance since it first started in 1974. BRAC first expanded its microfinance operations internationally in 2002 and now operates in six countries outside of Bangladesh - Myanmar, Tanzania, Uganda, Rwanda, Sierra Leone and Liberia. Together, these six entities, operated by BRAC International Holdings B.V., serve nearly 700,000 clients, 96% of whom are women.

BRAC International Microfinance's mission is to provide a range of financial services responsibly to people at the bottom of the pyramid. It particularly focuses on women living in poverty in rural and hard-to-reach areas, to create self-employment opportunities, build financial resilience, and harness women's entrepreneurial spirit by empowering them economically.

BRAC International Microfinance is a strong advocate of client-centric microfinance that includes adhering to the industry's Universal Standards for Social Performance Management<sup>1</sup> and the Client Protection Principles<sup>2</sup>. Its first [Impact Report](#) published last year gives an overview of the results from its impact surveys since 2019 and also presents its approach to measurement and management of client-level outcomes and impact. In its 2021 impact survey, 92% of their clients said that their quality of life had improved and 90% of clients said they earned more after engaging with BRAC<sup>3</sup>.

Establishing a dedicated international financing company for BRAC International Microfinance represents a significant step in BRAC's evolution. With this transaction, BRAC International Microfinance is positioned to tap the capital markets periodically over the coming decade. The first debt issuance by the financing company is linked to BRAC International Microfinance's COVID-19 rebuilding efforts, making liquidity available to households living in poverty. Subsequent issuances will propel BRAC International Microfinance's growth in existing and new countries to make financial products and services available to its borrowers and savers that will strengthen their livelihood, well-being, and resilience.

Essential for this endeavour is commitment from investors aligned with BRAC's mission with the capacity to engage with BRAC International Microfinance strategically over the coming years as the debt programme is rolled out. Two such investors, Global Partnerships and Proparco, worked closely with BRAC International Microfinance to launch the debt programme and achieve a successful first issuance.

Global Partnerships (GP) is an impact-first investment fund manager dedicated to expanding opportunities for people living in poverty. GP's affiliated funds deploy capital to social enterprises that deliver market-based products and services that empower people to earn a living and improve their lives.

Proparco is the private sector financing arm of Agence Française de Développement Group (AFD Group). It has been promoting sustainable economic, social, and environmental development for over 40 years. Proparco finances companies whose activity contributes to creating jobs and decent incomes, providing essential goods and services, and combating climate change.

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<sup>1</sup> The Universal Standards for Social Performance Management (USSPM) are a comprehensive set of best practices created by and for people in microfinance as a resource to help financial service providers (FSPs) achieve their social goals.

<sup>2</sup> The Client Protection Principles (CPPs) are a common set of global standards to provide fair and safe services for microfinance clients. These principles are used by thousands of FSPs across the world. The USSPM includes all of the CPPs.

<sup>3</sup> BRAC Microfinance 2021 Lean Data<sup>SM</sup> Impact Survey in partnership with 60 Decibels. Results yet to be published.

“Launching a capital markets debt programme represents a step-change in how BRAC International will finance the delivery of its microfinance products and services across all of its operations in Asia and Africa” said Shameran Abed, the Executive Director of BRAC International and Managing Director of BRAC International Holdings B.V. “We are now in a stronger position to secure continuous funding to provide far greater value to the hundreds of thousands of clients that we already serve and to achieve greater impact at scale by serving hundreds of thousands more who are outside of the formal financial system.”

“BRAC International Microfinance has a demonstrated track record of empowering women and enhancing the economic resilience of households living in poverty” said Mark Coffey, the President and Chief Investment Officer at Global Partnerships. “Global Partnerships is proud to expand its relationship with the organisation by providing impact-first capital from its affiliated funds to help the organisation deepen its inclusion and scale its impact.”

“Proparco is proud to collaborate for the first time with BRAC, a leading player in microfinance. We are glad to participate to the launch of the capital markets programme with BRAC International and its six entities located in priority countries for Proparco. Supporting the financial inclusion of populations that are usually excluded from formal financial services is a mission that BRAC achieves with exemplarity. We hope this first deal will pave the way for other operations between our two entities” said Thomas Eloy, Head of Debt Department at Proparco.

Palladium Impact Capital, a specialist impact investment bank and part of the Palladium Group, acted as the sole financial advisor to BRAC International Microfinance.

Courageous Capital Advisors, LLC, served as specialist advisor to BRAC International Microfinance.

Reed Smith, LLP acted as international legal counsel and BarentsKrans acted as Dutch legal counsel to BRAC International Microfinance.

Michelmores LLP acted as international legal counsel and Van Campen Liem acted as Dutch legal counsel to Proparco as well as Global Partnerships’ affiliated funds.

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Notes to Editor:

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## **BRAC and BRAC International**

BRAC is an international development organisation founded in Bangladesh in 1972 that partners with over 100 million people living with inequality and poverty globally to create sustainable opportunities to realise potential. BRAC's community-led, holistic approach is reflected in its unique integrated development model, which brings together social development, social enterprises and humanitarian response for lasting, systemic change. BRAC is born and proven in the south, and has become a world leader in developing and implementing cost-effective, evidence-based programmes at scale, with a particular focus on communities in marginalised, extremely poor or post-disaster settings across Asia and Africa.

BRAC first expanded its operations outside of Bangladesh in 2002 and now operates in nine countries in Asia and Africa. Stichting BRAC International, a non-profit foundation formed in the Netherlands in 2009, governs all BRAC's entities outside Bangladesh with an objective to engage in charitable and social welfare activities in any country of the world. BRAC's success is due to its Southern genesis - not only being from the south and for the south - but its ability to grow roots in the communities and solve multi-dimensional problems in a connected way, together with the people we serve.

BRAC International Holdings B.V. (BIHBV) was set up in 2010 as a private limited liability company under the laws of the Netherlands and is a wholly-owned subsidiary of Stichting BRAC International. BIHBV is a socially responsible for-profit organisation, engaging people in sustainable economic and income-generating activities. The core focus of BIHBV is to provide microfinance services to people, particularly women, living in poverty in rural and hard-to-reach areas to build their financial resilience and improve the quality of life for them and their families.

The year 2022 is a milestone year for BRAC as it celebrates 50 years of its founding in Bangladesh in 1972.

## **Global Partnerships**

Global Partnerships (GP) is an impact-first investment fund manager dedicated to expanding opportunity for people living in poverty. Since GP's founding in 1994 and the launch of its first fund in 2005, GP and its affiliated funds have invested in sustainable solutions that empower people to earn a living and improve their lives. GP and its affiliated funds have deployed \$573.7 million in impact investments to 170 social enterprise partners, bringing meaningful impact to an estimated 27.3 million lives in 31 countries (cumulative as of December 31, 2021).

### **Proparco**

Proparco is the private sector financing arm of Agence Française de Développement Group (AFD Group). It has been promoting sustainable economic, social and environmental development for over 40 years. Proparco provides funding and support to both businesses and financial institutions in Africa, Asia, Latin America and the Middle-East. Its action focuses on the key development sectors: infrastructure, mainly for renewable energies, agribusiness, financial institutions, health and education. Its operations aim to strengthen the contribution of private players to the achievement of the Sustainable Development Goals (SDGs) adopted by the international community in 2015. To this end, Proparco finances companies whose activity contributes to creating jobs and decent incomes, providing essential goods and services and combating climate change. For a World in Common.

For further information: [www.proparco.fr](http://www.proparco.fr) and @Proparco

### **Palladium**

Palladium is a global impact firm, working at the intersection of social progress and commercial growth. For nearly 60 years, the company has been helping clients to see the world as interconnected – by creating strategies, building partnerships, mobilising capital, and implementing programs that have a lasting social and financial impact. Palladium works with corporations, governments, investors, communities, and civil society. With a global network operating in over 90 countries, Palladium is in the business of making the world a better place. Palladium Impact Capital is Palladium's capital advisory business, regulated by the Financial Conduct Authority of the United Kingdom. [www.thepalladiumgroup.com](http://www.thepalladiumgroup.com)

### **Courageous Capital Advisors**

Courageous Capital Advisors is an impact investing advisory firm. The firm was founded with the conviction that financial capital should be used to build a just, equitable, sustainable, and resilient society for all, our North Star. Recognizing that one size does not fit all, Courageous Capital Advisors taps a range of financial tools and instruments to combine different types of capital to achieve the impact objectives necessary to move closer to that North Star. [www.courageouscapitaladvisors.com](http://www.courageouscapitaladvisors.com)