

# مضبوط عورت - مضبوط معاشرہ



## Quarterly Activity Report

APRIL-JUNE 2017

BY

HUMAN & INSTITUTIONAL DEVELOPMENT (HID) SECTION



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# QUARTERLY ACTIVITY REPORT

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# **QUARTERLY ACTIVITY REPORT**

**APRIL – JUNE 2017**

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## Vision & Mission

### **Vision**

Sustainable development through financial inclusion

### **Mission**

Taking measures for social and economic uplift of the marginalized, with focus on women, to enhance their economic prosperity & self-reliance through financial inclusion & capacity building.



## DAMEN Support Program (DSP) -Introduction

The roots of Damen Support Programme lie in a non-profit NGO – Development Action for Mobilization and Emancipation (DAMEN) – set up in 1992, under Societies Registration Act, XXI of 1860. DAMEN started its operations with aim of working for alternative development at grass-root level in Pakistan. It was an alliance of social scientists, philanthropists and professionals from various fields having significant experience of working with NGOs locally and internationally.

DAMEN initially started by focusing on the role and development of women & children in local communities; the programs being run were:

- Home School Education Program
- Industrial Home for Women
- Entrepreneurship Development Program

By continuously assessing the need of community DAMEN initiated the micro credit program in 1996, to help women foster economic activities in their communities.

In 2014 DAMEN transformed its Micro Finance Program into a separate legal entity by the name of Damen Support Programme (DSP). This step has been taken to concentrate on DAMEN's economic sector initiatives, increase focus on financial inclusion, improve transparency, and strengthen access to commercial funds, donors and investors. . DSP is a finance company, registered under section 42 of the Companies Ordinance 1984 with the Securities and Exchange Commission of Pakistan (SECP).

DSP concentrates on the social and economic uplift of communities, with an exclusive focus on the empowerment of women of marginalized communities with the following objectives;

- To take measures for social and economic uplift and empowerment of marginalized communities, especially in rural areas and urban slums, to enable them to enhance their capacity for income generation to eradicate the real and most tangible problems for their sustainable development by initiating /implementing programs including micro credit, vocational training and capacity building of communities.
- To concentrate on activities for integrated self-reliant and long-term development of the communities through various programs of poverty alleviation.
- To enhance the cause of women development by initiating programs for income generation and awareness of their legal and basic rights.
- To train and support human resources for devising, Implementing and overseeing development projects and programs.

DSP adopts a four-pronged strategy to achieve its overall objectives;

1. Micro-Credit
2. Health and Life Insurance services
3. Training, Capacity Building and Skill Development of Community Action Groups
4. Research, Networking and Linkages



## Clients' Stories

### **Najma Bibi**

Najma came in Harchoki after marriage. Her husband, a kiln worker, was the victim of his master's atrocities. He had never been paid timely and according to his efforts. Najma had to go through very tough situation soon after marriage. To overcome the situation she utilized her stitching skills, she learned in her parents' home. Before marriage she used to stitch the dresses of her community females, she decided to restart the same business. She asked her community females to give her their dresses for stitching. Initially she found difficulty in getting clients but it increased day by day due to perfection of her work. At the start she could earn only Rs.2000 monthly. Although it was not a big amount to fulfil their needs but enough to encourage her to continue her efforts for the sustainability of her family. She was interested in increasing her business but had no money for it. At that time on the advice of some relative she took loan from DSP and prepared some wedding dresses to give on rent. It gave some raise to her income. From

the second loan amount she prepared more wedding dresses and from the third loan amount she started the business of selling cloth in the community after purchasing from Faisalabad. Now she is providing both purchasing and stitching facilities at one place. Her customers are multiplied as females don't have to go into the market for purchasing cloth. At this time total income of Najma is more than Rs.15,000 and she is bearing maximum expenses of her home. Najma was new in the area and community was not aware of her work. She had to make effort to convince community for giving her their dresses to stitch. Finances was the other issue which was resolved by the financial assistance of DSP and for the purpose she is very thankful to DSP.

Najma Bibi earned a good name in the community. The community respects her for her efforts, she made for the survival of her family.



## Sajida Bibi

Sajida Bibi resides in Eilla Abad Chunian with her in-laws and five children, 2 daughters & 3 sons. Her husband was a servant of Chaudharis in their area and often used to go with the van carrying milk for supply in the city. Sajida was living in joint family and earning of her husband was not sufficient to fulfil their needs. Sajida was always worried about their financial condition and her worries were increased with the increase in number of her children. Being an uneducated and unskilled woman Sajida was unable to support her family. One day a sudden thought came across her mind and she asked her husband to give her 10 KGs milk on the rate they were giving on shops. Afterwards she sold it in her community and earned a profit on it. Although the profit was small yet enough not only to encourage her but also to give her a direction to move on. Now she adopted the business of selling milk and started sharing some expenses of her family. After some period of time business skills were developed in Sajida and she decided to expand her business, but finances were not available for the purpose. One day during a conversation with one of her customer she came to know about the financial services provided by Damen Support Programme (DSP). On the same night she discussed it with her husband and after a mutual understanding of both husband and wife they decided to avail these services. DSP responded positive on her request and after completing its appraisal and documentation

procedure allocated her first loan of Rs.12,000. She utilized this loan for expending her business resulting in an increase in her profit.

Encouraged by the earning from this business Sajida decided to start another business parallel to previous one by opening a general store. For the purpose she took second loan and purchased some eatables for children. Initially she sold these things on a table outside the home, afterwards she expand this business by taking three more loans from DSP.

At this time Sajida is earning more than Rs.40,000 monthly from both businesses. Her family is dependent on her as she is bearing maximum expenses of her family. She is providing good education to her children as her eldest daughter is doing F.Sc. while others are studying in good schools of community.

Sajida Bibi has set an example for other females of her community. She was an uneducated and unskilled woman but she didn't make it her weakness. She learned from her experience and increased her business gradually. Lack of financial resources was a big issue which was resolved by DSP's assistance. Sajida had not proper place for her business, she saved money and constructed home where a room was built to be used as shop or business point. Due to expansion in her business it became difficult to her to run both businesses alone, here her son provided support to her.



## Sughra Bibi

Sughra's husband Aslam was a driver and what he earned was not sufficient to fulfil the requirements of whole family including 4 sons and 4 daughters. Initially Sughra managed the home in limited income of her husband but with the passage of time, after increase in number of children, it remained not possible to her. Sughra was uneducated but skilled in tailoring and she utilized these skills to overcome her difficulties. She started stitching gent's dresses and earned nearly Rs.3000 monthly. Rs.3000 was not a big amount but it not only provided a slight relief to her family but also worked as a catalyst to encourage her for increasing her efforts. Now thinking like a business woman Sughra thought about starting the trade of cloth because females of her community were not comfortable in going market for purchasing cloth. She wanted to provide this facility to them at their doorstep but lack of resources didn't let her do this business.

One day while passing through the street Sughra heard some community females talking about financial services provided by DSP. Fascinated by these services, she decided to visit DSP for availing DSP's loan facility. Very next day she visited DSP office in Chunian and

applied for loan. DSP after completing its policies and procedures allocated her first loan of Rs.10,000. From the loan amount she purchased some cloth and sold it in the community, it raised her income from Rs.3000 to Rs.5000 monthly. She also kept laces and stitched dresses on community demand. Initially her business was not separate and created disturbance for her family. To save her privacy from business she converted a room of her home in to boutique. She took total seven loans from DSP and gradually increased her business.

Being a driver sughra's husband's earning was small but he had major contribution in financial management, his sudden death was not only a shock but also created financial problems in her life. Sughra overpowered these problems soon due to her running business. At this time Sughra is bearing maximum expenses of her family, she is not only providing education to her younger children but has also married her three elders. Inspired by her efforts, her daughter in law has also joined her in this business. On the other hand her community also recognizes her efforts for the survival of her family.



## Shaheena Bibi

Shaheena lives in Haidri Colony with her children and husband, who is a retired army man. Almost 20 year before, when Shaheena shifted in Haidri Colony, it was a very backward area with the majority of illiterate people. People didn't send their children in schools and children had no activity except roaming ambiguously in the streets whole day long. Shaheena always felt sorry upon the ruining future of these children.

On the other hand Shaheena herself was passing through the hardships of lives as her husband's income was not sufficient to meet the nutritional and educational expenses of their children while Shaheena wanted to provide good education to her children. She came up with the idea of starting a coaching center. Because it was the only way to save the spoiling future of her own as well as community's children.

For practical implementation of her thought she started mobilizing her community to send their children to her for study. Shaheena has a good repute in society so people not only heard her but also started sending their children in her coaching center. Shaheena didn't overburdened the people and took the fees according to their capacity which resulted in a

gradual increase in number of students in her coaching center.

It was the time when Shaheena heard about the financial services provided by DSP. After knowing about these services she applied for loan and got first loan of Rs.10,000. From the loan amount she purchased some desks and chairs, second loan was also utilized for the same purpose. With the increase in number of students it became very difficult to her to accommodate all students in her two rooms' house. She took another loan and built a room on the first floor of her home. Similarly Shaheena took seven loans to expand her business.

Every time she made proper use of her loan and separated her school from her home by constructing triple storey building. More than 300 students are studying in her school while she has also appointed 6 teachers in her school.

Shaheena seems very satisfied of her life as she says, "I was always worried over the deteriorating future of my own as well as community's children. I had no resources to educate them, but financial assistance by DSP enabled me not only to provide good education to my children but also to save the future of many other children of my community".



## Operational Enactments

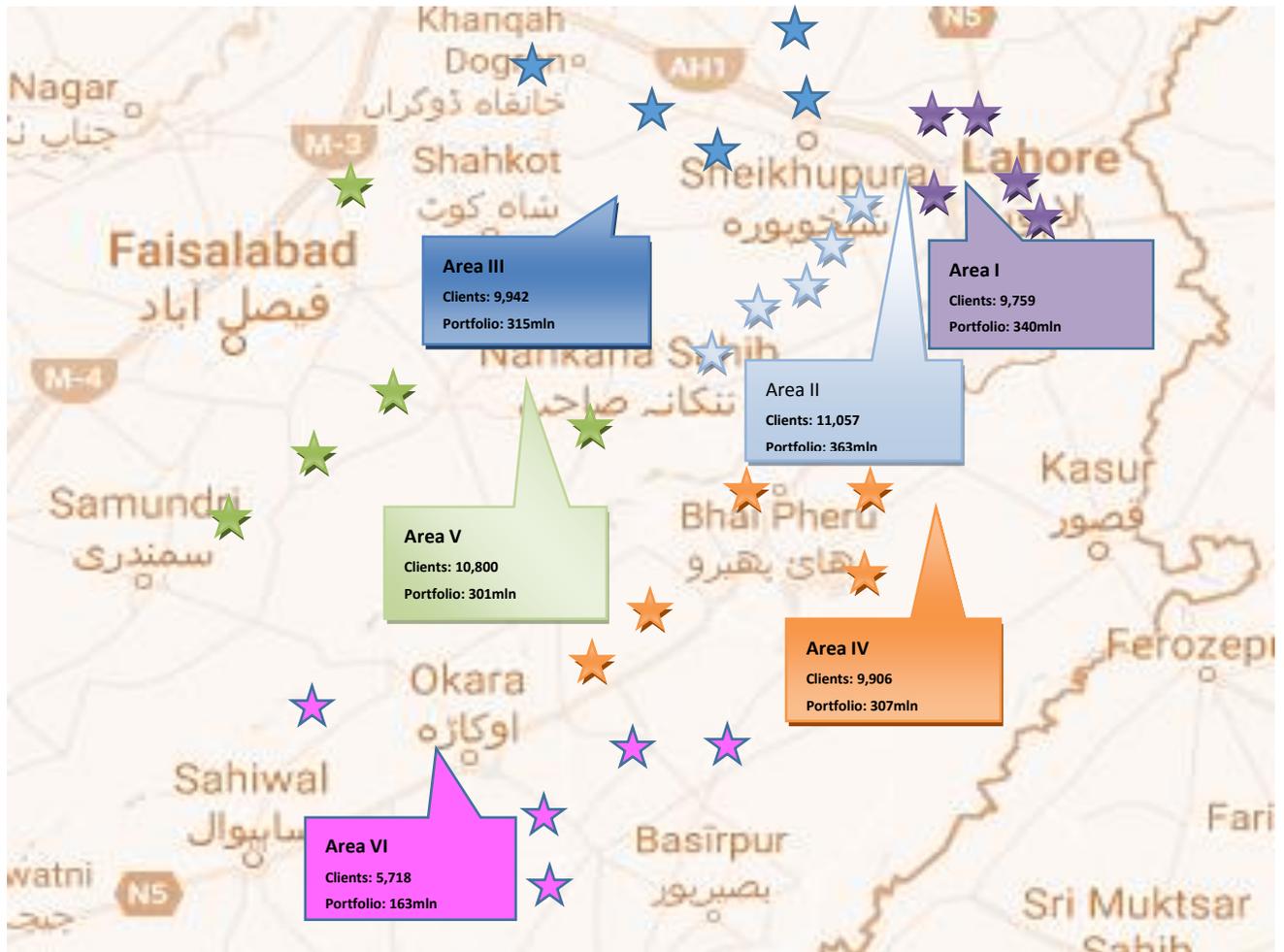
Development Support Programme (DSP) empowers women by increasing their well beings, access to resources, self-confidence, self-esteem and respect, participation in decision-making and bargaining power, and increased control over benefits and their own life. Main focus of DSP is to empower women through the expansion and sustainability of their enterprises. For the purpose DSP provides its financial support to low income female clients and micro entrepreneurs having no access to formal financial resources. Recently DSP is providing its financial services in 374 union councils and 1163 villages of District Lahore, Kasur, Sheikhupura, Nankana Sahib and Okara while Faisalabad is partially benefitted from these services.

### Outreach

30 branches of DSP are functional in Lahore, Sheikhupura, Kasur, Nankana and Okara Districts. While working in Area I DSP observed that there is a huge potential in the surrounding areas of Ferozpur Road which could not be catered for being out of the portfolio of all branches of DSP. During the previous quarter DSP shifted its Shahpur Branch in Kahna to facilitate those clients.

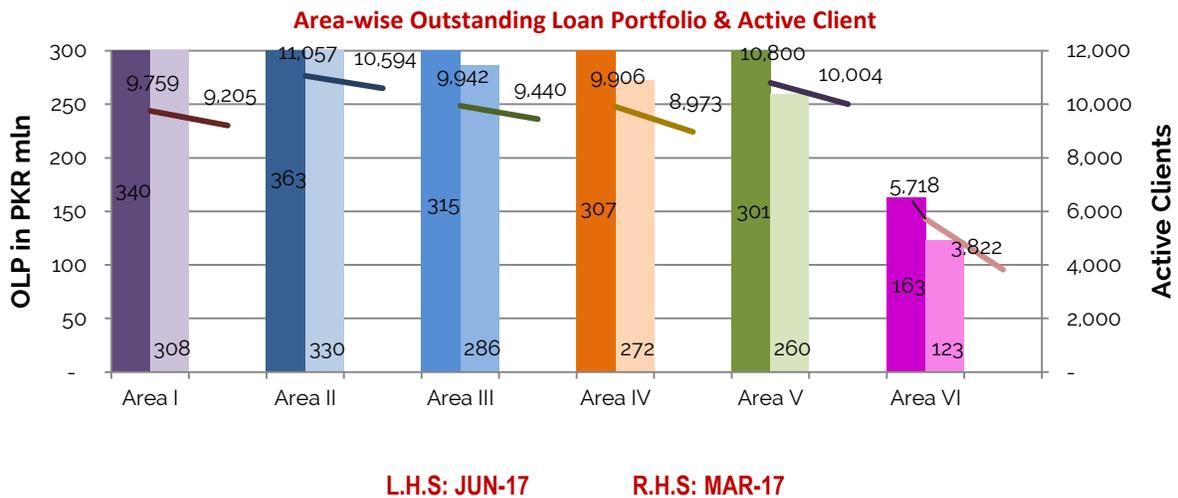
Lahore		Sheikhupura	Kasur	Nankana	Okara
Area I	Area II	Area III	Area IV	Area V	Area VI
Niaz Baig	Maraka	Begum Kot	Phool Nagar	Nankana Sahib	Okara
Chung	Halloki	Sharqpur	Jambar	Shahkot	Renala Khurd
Bhola Gari	Shamke Bhattian	Dhamke	Chunian	Bucheki	Hujra Shah Mugeem
Kahna	Manga	Rachna Town	Pattoki	MorKhunda	Depalpur
Ali Raza Abad	Raiwind	Muridkey	Habibabad	Warburton	Haveli Lakha

## Geographical Outreach



## Outstanding Loan Portfolio (OLP) and Active Clients

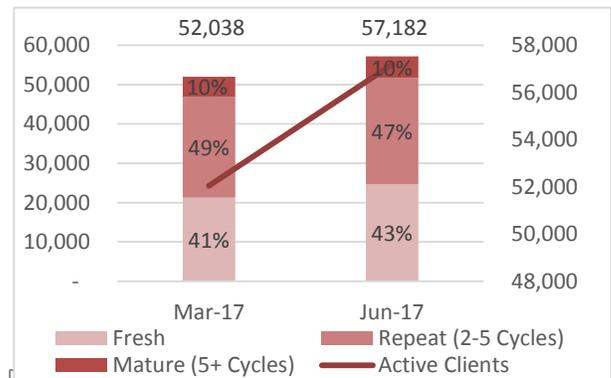
Active clients of Area I raised from 9,205 to 9,759, Area II from 10,594 to 11,057, Area III from 9,440 to 9,942, Area IV from 8,973 to 9,906, Area V from 10,004 to 10,800 and Area VI from 3,822 to 5,718. Total number of active clients was increased from 52,038 to 57,182. Similarly OLP of Area I increased from Rs.308,358,040 to 340,670,187, Area II from Rs.330,954,896 to 363,779,425, Area III from Rs.286,026,926 to 315,300,077, Area IV from Rs.272,628,548 to 307,673,891, Area V from Rs.260,537,569 to 301,346,882 and Area VI from Rs.123,514,239 to 163,915,104. Total OLP was increased from Rs.1,582,020,218 to 1,792,685,566.



## Division of Clients Regarding Loan Cycle

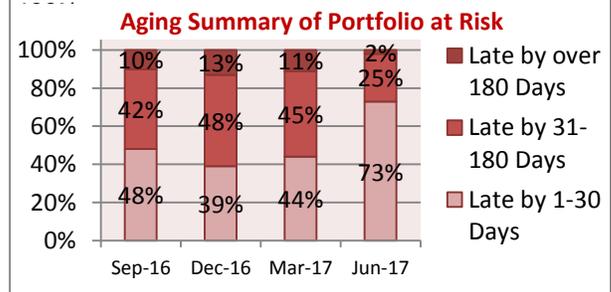
DSP always focused on establishing strong and long term relationship with its clients as it is a major contributing factor in the net growth rate of a microfinance institution. The strength of this relationship is obvious as 43% clients are new and rest of 57% clients are repeated during the reporting period.

## Division of Clients Regarding Loan Cycle



## Portfolio at Risk Ratio

PAR > 30 days is 0.09% during the reporting period while it was 0.15% by the end of March 17, 0.32% by the end of December 16, 0.45% by the end of September 16 and 0.61% by the end of June 16. A comparison of last four quarters shows maximum increase in PAR late by 1-30 days and maximum decrease in PAR late by 31-180 days & late by over 180

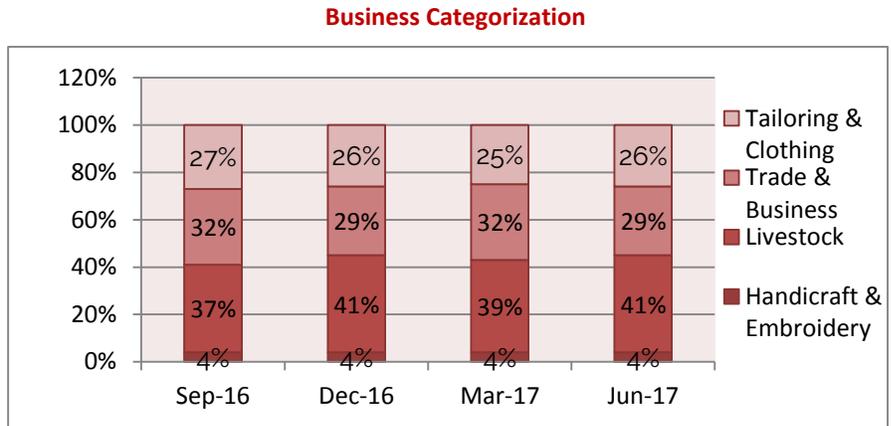




days during the reporting period. Graph gives the comparison of aging summary of PAR during last four quarters.

## Business Categorization

By the end of June-17 maximum 23,580 (41%) clients were involved in livestock followed by 16,694 (29%) engaged in trade & business, 14,934 (26%) in tailoring and clothing and 1974 (4%) in handicrafts & embroidery.



## Average Loan Size & Balance

Average loan size of DSP was 52,913 while average loan balance remained 31,351 by the end of June-17.

## Islamic Microfinance

Islamic Microfinance Branch in Kot Radha Kishan is following the Islamic Banking System. By the end of June 2017 number of active clients of this branch raised from 532 to 678 resulting in an increase in OLP from 15,145,729 to 20,182,915. Average loan size increased from 46,172 to 48,174 while average loan balance remained 29,768.

## Introduction of Agricultural Loans

DSP had introduced Agricultural loans for farmers to finance farming activities like purchasing of seeds, fertilizers and livestock. This product was initially launched on pilot basis in Area VI and after having success in this area it has been introduced in Area IV. Total 208 clients of Area VI and 31 clients of area IV have availed this facility.

## Early Warning Evaluation Process

Risk Department has started an “Early Warning Evaluation Process” to identify, assess and prioritize risks before it arises. This process comprises of 15 indicators (10 internal and 5 external) that would “signal” the growing risks in organization.

## Complaint Redressal

Complaint Cell of DSP addresses the grievances of clients timely and effectively. During the reporting period this cell received total 71 complaints, out of it 48 are resolved while other 23 unresolved are health claims dependent on insurance company.

## Social Performance Audit

A Social Performance audit of DSP has been conducted by PMN during the reporting period. The purpose of getting a social audit conducted includes firstly, DSP is keen to attract Impact Investors and



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this will provide them with the opportunity to assess DSP for possible investment. Secondly, by conducting SPI4 audit for self-assessment, DSP will be better placed for improvement and better service to its clients. In addition to this, through this audit DSP wants to measure and gauge progress towards its vision. Furthermore, without knowing where DSP stands socially and what measures can be taken to enhance our social impact, the mission of DSP will not be achieved to its fullest, that is taking measures for social and economic uplift of the marginalized. Lastly, DSP aims to gain and retain the confidence of the Government, with respect to its commitment to fulfill its mission.

A mere look at the results indicate that DSP did well but despite that there is room for improvement. A finalized report by the social auditor is yet to be received after which an implementation plan would need to be devised.



## Developing Capacity

Capacity Development is defined as “the activities, approaches, strategies, and methodologies which help organizations, groups and individuals to improve their performance, generate development benefits and achieve their objectives”. DSP has a focus on strengthening technical expertise, through hiring or training staff or volunteers in program planning and design, best practices, and other similar technical areas.

Trainings are the tool used for enhancing the capabilities of staff. Targeted trainings towards staff are important to help them meet their key responsibilities. Building the skills of staff are important in helping them out in carrying their job specification, not only through preliminary trainings but on-going trainings as well. These trainings also help the employee in acquiring new skills to perform their duties effectively, in getting promotions within organization and in getting up-skilled to do some innovative things, which keep them fresh and motivated.

To keep the employees up with the new developments in their field, human and institutional department of DSP firstly identifies the gaps in their performance and then decides what type of training is needed and who needs it.

### Staff Trainings

#### New Staff Orientations

During the reporting period HID Department gave orientations to 19 Loan Officers, 23 Junior Professionals, 2 Account Officers 1 Appraisal Officer and 1 Field Manager. The orientations briefed the participants about DAMEN & transformation of Damen’s microfinance program into DSP and DSP’s policies and role in economic development. The orientations also focused on code of conduct, appraisal & social mobilization techniques, policies and procedures of microcredit and social sector programs.

#### Delinquency Management Training

Loan delinquency is probably the largest single reason for downfall of microcredit institutions. All MFI, even operating quite successfully, must continually address loan delinquency. DSP organized a training on Delinquency Management on 2<sup>nd</sup> May in Area Office Area VI. The training aimed at enabling them to identify, measure and analyze the cause of delinquency, and how to control it. Total 23 loan officers and junior professionals were benefited from this training.



## Training on Leadership Skills

A training on leadership skills was organized for field managers and area coordinators to enhance their said skills. The main purpose of the training was to enable them to move and inspire their sub ordinates to do their best work to successfully achieve our organizational goals. The training was organized on 4th April in South Asia Partnership's Hall in Lahore and total 27 participants received this training.



## Training on Sexual Harassment at Workplace

DSP organized 3 trainings on sexual harassment to make our staff aware of sexual harassment and its legal definitions, discusses sexual harassment prevention, how to handle sexual harassment complaints and maintain a positive work environment. The training was organized on 11<sup>th</sup> and 12<sup>th</sup> May, in Area III & IV respectively. Total 59 participants including FMs and LOs participated in this training.



## External Staff Trainings

✓ Mr. Wajid Ali Khan (Admin & Finance Manager) received a training on **“Taxation for Non-Profit Organizations”** organized by Max-Strategy on 8th April in Islamabad.

✓ Mr. Ali Saqib (AC Area I) Mr. M. Imrran, Mr. Kashif Chughtai, Mr. Kashif Naeem, Ms Farzana Yasmeen and Ms. Nadia Manzoor (FMs Area II, III, IV, V, & VI respectively participated in a training on **“Effective Management”** organized by Finman Group on 12th April in Flatties Hotel Lahore.



✓ Ms. Asma Sardar, Mr. Ilyas Ali Raz, Mr. Irfan Haider, Ms. Shazia Liaqat, Mr. Amjad Ali and Mr. Malick M. Haroon (FMs Area I, II, III, IV, V & VI respectively) received **“3-Day Training on Microfinance Tools”** organized by Seven Skills from 2nd – 5th May at Lahore



## Community Trainings

Community Skill Development Program has been developed for the females who have some financial resources to start their business but lack of skills hinders their way. Skill Development Trainings are flexible and demand driven. Training Department of DSP observes the potential, what kind of training is required and how many females are interested in getting these skills, and then plans their trainings accordingly. These trainings are an effective tool to impart employable skills among marginalized females of marginalized communities to enable them to earn their livelihood. These trainings are totally free of cost and help a number of women to start their own business.

During the reporting period DSP has trained total 243 community females to start or enhance their own business and share their familial burden.

### Enterprise Skill Trainings on Livestock

DSP organized “Enterprise Skill Trainings on Livestock” to train the participants on livestock management, animal breeding, animal nutrition and animal disease prevention and treatment. The training will not only help participant but they will also become a source of livestock management knowledge in their community. The training was organized on 5th April in Phoolnagar Field Office. Total 42 community females got benefit of this training.



### Financial Literacy Trainings

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“Trainings on Financial Literacy” were organized on 19th, 24th and 25th April in Renala Khurd, Raiwind and Muridkey Field Offices respectively. These trainings imparted knowledge on better management of money by making a simple household budget, Credit Information Bureau (CIB) and its role, rights and responsibilities of clients and procedure of complaints (regarding CIB) resolution. The purpose of trainings was to enable the participants to have easy access and proper utilization of loan. Total 143 community females got benefit of these trainings.





## Networking & Linkages

### Networking & Linkages

In this age of globalization no organization can imagine to survive alone without having links with others. Creation of networks and linkages are an essential component of any development program and provide synergies for the program to build upon from a point of advantage to a point of strength. Networking and Linkages basically means forming formal and informal partnerships and ties with other organizations in different areas of mutual interest and/or benefits. DSP like other microfinance organizations use networking as a way to gain new clients and make a sustainable development. For the purpose it creates new linkages and networking at the local and regional level for creating better relationship with other organizations and institutions.

- ✓ Ms. Naghma Rashid (CEO) attended Pakistan Microfinance Investment Company's (PMIC) CITI-PPAF Micro entrepreneurship Award Ceremony on 4th April in Islamabad.
- ✓ Ms. Naghma Rashid (CEO) attended Pakistan Microfinance Network's (PMN) BoD meeting on 16th May in Lahore.
- ✓ PMN conducted a meeting with all its member organizations in DSP Head Office on 22<sup>nd</sup> May. Mr. Parvez Hamid (COO) represented DSP in this meeting.
- ✓ Ms. Naghma Rashid (CEO) and Mr. Parvez Hamid (COO) attended Social Performance Task Force's (SPTF) Annual Meeting from 5th – 9th June in Mexico City.
- ✓ Pakistan Centre for Philanthropists' (PCP) team visited DSP Head Office from 11th – 12th May, to evaluate DSP for renewal of Certificate.



## Constraints & Challenges

- ✓ Implementation of new performance appraisal & management system at all levels and impact on the improvement of loan portfolio.
- ✓ Maintain the yield of GLP by not allowing field staff to take recoveries before due date
- ✓ Reduce the cost per loan
- ✓ Maintain the client base at a certain level of 1700 to 1800 clients per field office.
- ✓ Monitoring of loan utilization.

## Existing Gaps

- ✓ Weak social mobilization.
- ✓ Problem of delinquency due to non-compliance of policies and procedures in groups and center formation.

## Lessons Learnt

- ✓ Improved monitoring (from Head Office, Area/Field offices) can surefire the success of program.
- ✓ Strong mobilization for group and center formation can ensure the long term sustainability of microcredit program.
- ✓ Customary interaction with the borrowers can be assured better recovery rate and delinquency loans.