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خواتین کی مضبوطی، ترقی کی ضمانت



Quarterly Activity Report

by
Human & Institutional
Development Section (HID)



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Vision

Sustainable Development through financial inclusion

Vision

Mission

Mission

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



Introduction Damen Support Programme (DSP)

The roots of the Damen Support Programme lie in a non-profit organization (NGO) – Development Action for Mobilization and Emancipation (DAMEN) – set up in 1992, under the Societies Registration Act, XXI of 1860. DAMEN started its operations with the 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 microcredit 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 the Damen Support Programme (DSP). This step was 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 Non-Banking Microfinance Company, registered under section 42 of the Companies Act 2017, 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 from marginalized communities through 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 microcredit, vocational training, and capacity building of communities.

- To concentrate on activities for the integrated self-reliant and long-term development of the communities through various programs of poverty alleviation.
- To enhance women's development cause 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;

- i. Micro-Credit
- ii. Health and Life Insurance services for its borrowers
- iii. Training, Capacity Building, and Skill Development of Community Action Groups
- iv. Research, Networking, and Linkages

New CEO Holds Charge

During the reporting period, Mr. Adnan Afaq formally held the charge of the CEO-DSP. Mr. Adnan Afaq is holding a Degree of Bachelor in commerce and qualified as a Chartered Accountant from England & Wales in 1985. He worked as an Audit Manager in AF FERGUSON & Co. He has diversified experience of chartered companies and banks. He worked as Senior Assistant Manager at Deutsche Bank. Furthermore, he worked in Prime Commercial Bank, Askari Bank, and Pak Oman Investment Company. He served as CEO in Askari Investment Management Ltd for two years, and CEO/MD in Pakistan Credit Rating Agency Ltd. He joined as DAMEN's Board of Directors in 2008 and became the Chief Executive Officer of DSP in 2020.



Clients' Success Stories

Rani Bibi from Chung

Rani Bibi moved from Pattoki to Shadab Colony Lahore for a better life for her family. Before her better half was doing Job in Pattoki yet her earning was not adequate to provide fundamental necessities of life to their family. In Lahore Rani's brother provided shelter to her family but after her husband's job in a factory, they got shifted in a separate home on rent. Though they were shifted here for an improved and healthy life instead increased inflation of Lahore made it tougher to her. Most of the time and energies of Rani were spent in thinking about how to provide a better life to her family but she could never find a solution, rather growing ages of her daughters were consistently disturbing her. One day while analyzing the opportunities to support her husband she came up with an idea of making decorative tassels and other items used on the occasion of marriages and other events. To support her idea, she met a community female, on her request she gave Rani work on daily basis. It provided a little relief to her by enabling to earn some money. After sometime Rani realized that she is not getting appropriate for her work so she thought about starting her own business, but resources were not available for the purpose.

One day, during a conversation with one of her community females, she came to know about the microcredit services provided by DSP. Rani talked about the opportunity with her husband and after getting his consent, she visited the DSP Branch in

Chung, where DSP representative briefed her about policies and procedures of taking a loan. Then she applied for the loan and it was approved. In the wake of getting her first advance of Rs.8,000, she purchased raw material including color, paper, thread, etc. and took the start of her own business. It increased her margin in profit. She utilized four loans of DSP to expand the said business but from the fifth loan, she started the cloth trade in parallel to the pre-described business. She gradually increased her second business and converted a room of her home into a shop, it further multiplied her earning.

Recently Rani is DSP's client of the 9th loan cycle and DSP's loan has not only financially empowered her but also provided an earning opportunity to her husband who could not continue his job due to the backache issue. Getting advantage of available opportunities, he started selling the cloth in different bazaars. Now both Rani and her husband are earning and it is all because of DSP's support. Besides sharing some expenses at home and purchasing a few accessories, Rani has also wedded her two daughters and a son. Her next focus is towards constructing her own home and for the purpose, she is making some savings. "Without the financial assistance of DSP, I have never been able to fulfill my responsibilities towards my family. DSP's assistance enabled me to marry my daughters and get regard in the community" says Rani.



Sughra Bibi from Halloki

Sughra Bibi and her family came into crisis after her husband became jobless. Having no source of income her family often had to remain without a meal and the situation was worsening day by day. Then a relative of her husband offered them to purchase his buffalo at very low rates. The offer was attractive for both husband and wife but finances were not available for the purpose. Around then a well-wisher of Sughra informed and encouraged her to utilize microcredit services provided by DSP. Following her recommendations, Sughra visited the DSP branch in Halloki and applied for advance. DSP endorsed her first advance of Rs.10,000 after total evaluation and documentation. From the loan amount, she purchased a buffalo from their relative and started earning by selling milk. Although a little but money started to come to their home. After some time, her husband got a job but Sughra didn't leave the business of livestock. She wanted to earn more for her children and for the purpose she adopted the habit of saving. After completing the first loan cycle she took the

second one and purchased another animal by combining it with her savings.

Till now she has taken a total of eight loans from DSP and every time used it to purchase a dairy animal. Right now, she owns a total of 11 buffalos, 8 cows, and 11 calves and her earning has been reached up to more than Rs.80,000 per month. With the expansion in her business, she has involved her elder son in this business. She has constructed her home as well as married her four daughters and a son from her savings.

Sughra seems very satisfied with her life as she says, "Darkness seemed prevailing around us after my husband could not get the job for a long time but DSP support helped us in coming out of dusk. Now I am very happy and satisfied and have no fear of the joblessness of my husband or sons because I am financially empowered to take the burden of the whole family. For all these things I am very grateful to DSP".

Operational Enactments

Damen 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. The 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 Lahore, Kasur, Sheikhpura, Nankana Sahib, Okara, Faisalabad, Gujranwala, Hafizabad, Sahiwal, Pakpattan, Toba Tek Singh, and Sialkot districts.



Outreach

Recently a total of 50 branches of conventional microfinance are working in Lahore-I, Lahore-II, Sheikhpura, Kasur, Nankana, Okara, Faisalabad, Gujranwala, Sahiwal, Toba Tek Singh, and Sialkot, whereas 7 branches of Islamic microfinance are operational in Kot Radha Kishan (Area-II), Rajana (Area-IX), Pakpattan (Area-X), Hafizabad (Area-VIII), Narowal (Area-XI), Muslim Town (Area VII) and Kasur City. Five enterprise branches are active in Said Pur, Sundar, Arrayian Morr, Burj Attari, and Jamber.

Implementation of Operational Changes

To benefit the maximum number of socially and economically disadvantaged segments of society, a fourth region, in parallel to the three pre-existing, has been established. Now region-I comprises of Area-I, II, IV, VII & XI, Region-II consists of Area-V, VIII & IX, Region-III contains Area-III, five Enterprise Branches in Said Pur, Sundar, Arrayian Morr, Burj Attari and Jamber and a Sharia Branch in Kasur City, Similarly, Region-IV encompasses Area VI & X. Following is the district-wise distribution of all areas and branches.

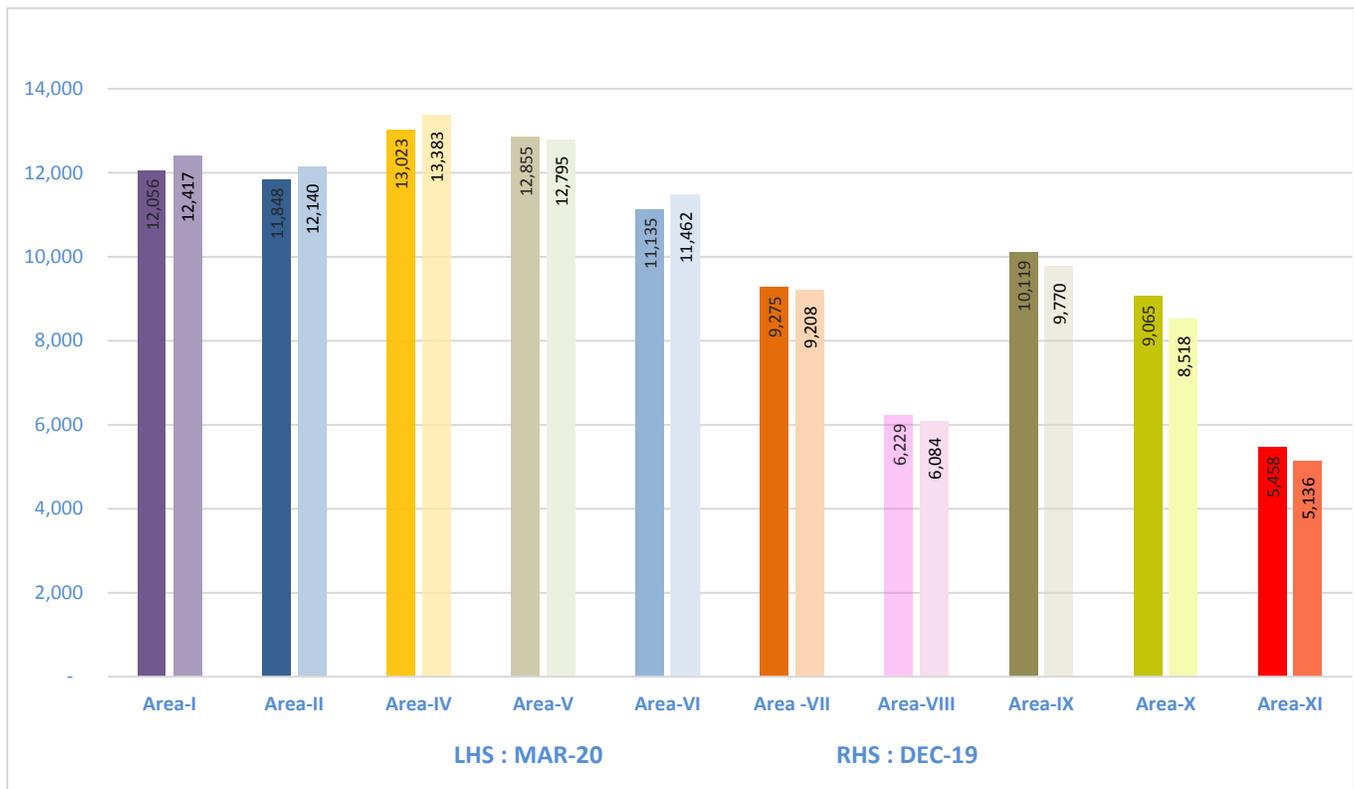
Region-Wise Detail of All Branches

Conventional Branches Detail										
Region-I					Region-II			Region-III	Region-IV	
Lahore		Kasur	Gujranwala	Sialkot	Nankana	Faisalabad	T.T.Singh	Sheikhupura	Okara	Sahiwal
Area I	Area II	Area IV	Area VIII	Area XI	Area V	Area VII	Area IX	Area III	Area-VI	Area X
Niaz Baig	Halloki	Phool Nagar	Gujranwala	Daska	Nankana Sahib	Faisalabad	T.T Singh	Begum Kot	Okara	Sahiwal-I
Chung	Shamke Bhattian	Chunian	Kamokey	Sialkot	Shahkot	Thikriwala	Kamalia	Sharqpur	Hujra Shah Muqem	Sahiwal-II
Kahna	Manga	Pattoki	Wazirabad	Sambrial	Mor Khunda	Jaranwala	Gojra	Rachna Town	Depalpur	Chicha Watni
Ali Raza Abad	Raiwind	Habib Abad	Alam Chowk	Pasrur	War-burton	Samandri	Pir-Mahal	Muridkey	Haveli Lakha	Arifwala
Bhola Garhi	Maraka	Jamber	-	-	Bucheyki	-	-	Dhamkey	Renala Khurd	-
Sharia Branches	Region-II			Region-III			Enterprise Branches	Region-III		
	Rajana			Kot Radha Kishan				Sundar		
	Pakpattan			Narowal				Arrayian Morr		
	Muslim Town Morr			Hafizabad				Said Pur		
				Kasur City				Burj Attari		
								Jamber		

Active Clients

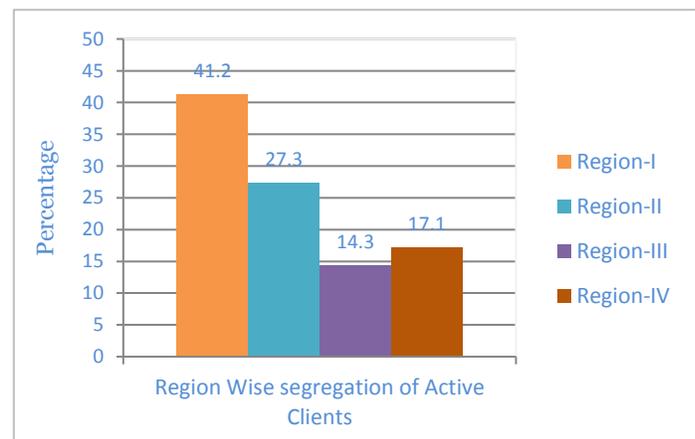
By the end of the reporting period total number of active clients was increased from 116,703 to 117,995. Area-wise analysis of active clients shows a decrease from 12,417 to 12,056 in Area-I, from 12,140 to 11,848 in Area-II, from 13,383 to 13,023 in Area-IV, and from 11,462 to 11,135 in Area VI. Similarly, an increase was observed from 12,795 to 12,855 in Area-V, from 9,208 to 9,275 in Area-VII, from 6,084 to 6,229 in Area-VIII, from 9,770 to 10,119 in Area IX, from 8,518 to 9,065 in Area X and from 5,136 to 5,458 in Area XI. Active clients of Region III were increased from 15,790 to 16,932.

Area-Wise Active Clients of DSP



Region-Wise Active Clients

41.2% (48,614), clients are from Region-I, 27.3% (32,249), from Region-2, 14.3% (16,932), from Region-III and 17.1% (20,200) clients are from Region-IV. Decreased number of active clients in Region-III is because, most of its branches are newly established.



Product Wise Active Clients

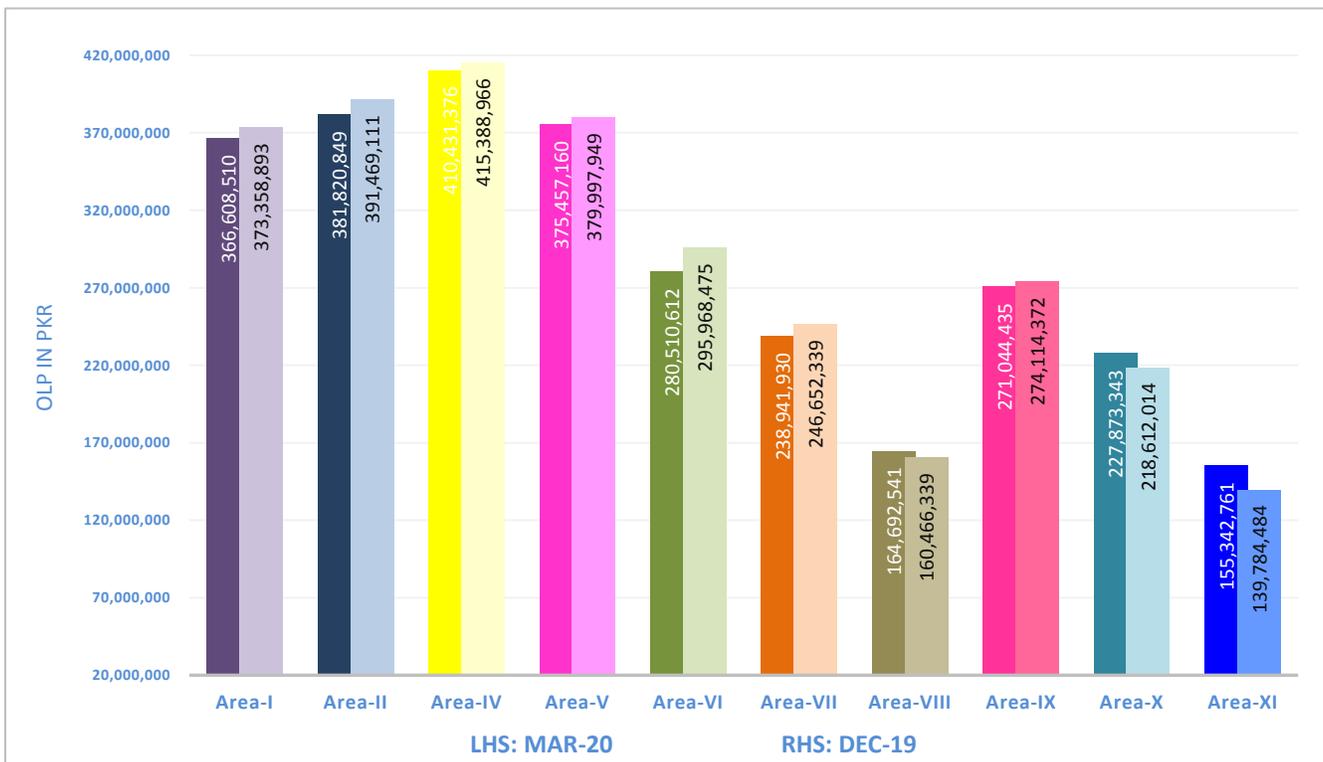
Product-wise review of active clients shows that a large portion of DSP clients is getting the benefit of general loans followed by sharia and seasonal loan respectively. The main reason behind the expanded interest for general loans is that it was the initial and only product of DSP and the other two products were introduced later. Similarly, greater loan size can also be a reason behind it.



Outstanding Loan Portfolio (OLP)

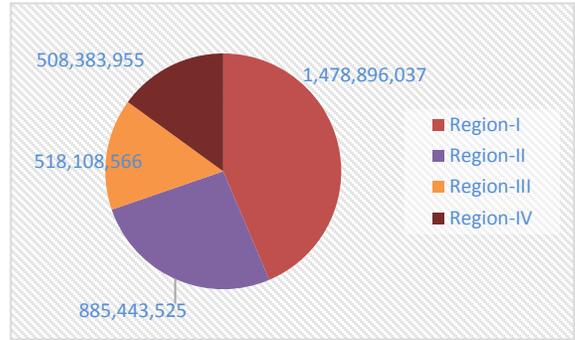
Total OLP of DSP remained PKR.3, 390,832,083. The graph given below shows the decreasing trend of OLP in most of the areas. The reason is the imposition of lockdown to control the widespread of Corona Disease. Due to the lockdown and increasing rate of Corona endemic, most of the branches could not meet their disbursement targets. A percentage decrease of 1.8%, 2.5%, 1.2%, 1.2%, 5.2%, 3.1%, and 1.1% was observed respectively in Area-I, II, IV, V, VI, VII and IX. Whereas a percentage increase of 2.6%, 4.2%, 11.1%, and 10.4%, was viewed in Area- VIII, X, XI, and region III, respectively.

Area-Wise Outstanding Loan Portfolio of DSP



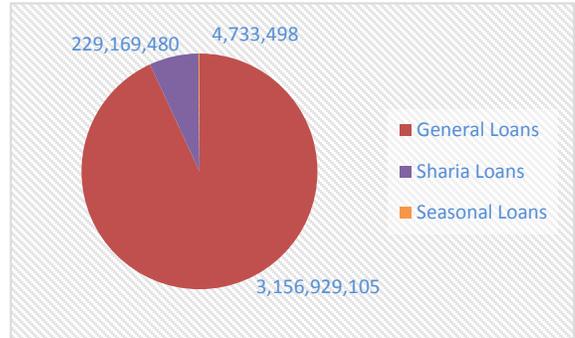
Region-Wise Outstanding Loan Portfolio

OLP of Region-I is greater than the other three regions because of having maximum mature clients with greater loan sizes. Given here is the region-wise segregation of OLP.



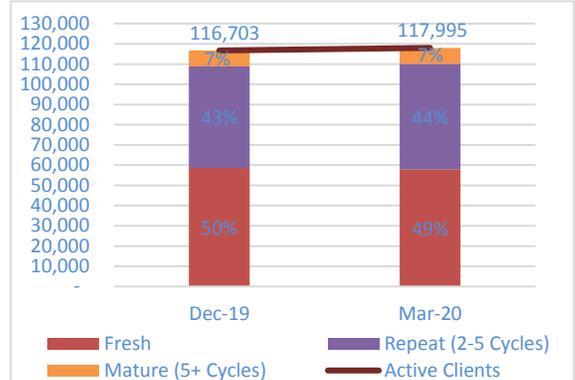
Product Wise Outstanding Loan Portfolio

By the end of the reporting period, the OLP of General Loans remained PKR.3,156,929,105, Sharia Loans have an OLP of PKR.229,169,480 while Seasonal Loans have minimum OLP of PKR.4,733,498.



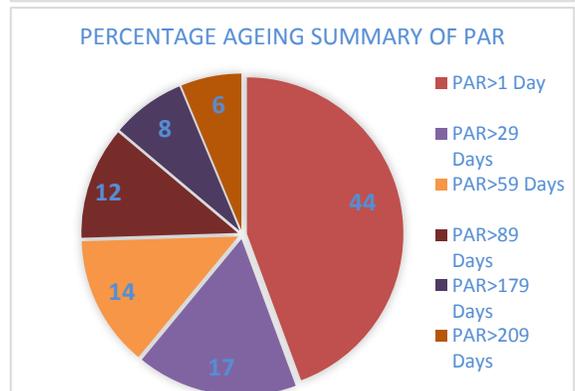
Division of Clients Regarding Loan Cycle

Client retention is a basic factor for both the social enactment and financial sustainability of any microfinance organization. DSP always focused on establishing a strong and long-term relationship with its clients and it is reflected by LTS data. The data describes that despite opening new branches still 51% of DSP clients are longstanding.



Portfolio at Risk Ratio

During the reporting period, overall PAR > 29 days remained 4.39%. Region-IV has maximum portfolio at risk >29 days ratio (12.7%) followed by Region II with 3.57%, Region-I with 2.7%, and Region-III with 2.57% portfolio at risk >29 days ratio. The aging summary of PAR is shown in the graph given here.



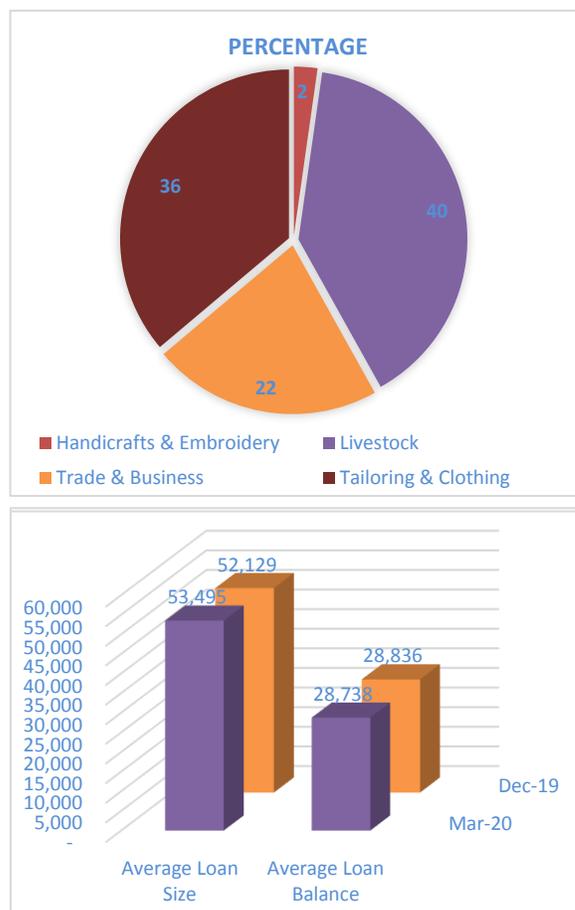
Business Categorization of Loans

The majority of DSP clients are related to Livestock followed by tailoring & clothing, trade & business, and handicrafts & embroidery respectively.

By the end of the reporting period, 40% of DSP clients utilized their loans in the business of livestock, 36% used it to grow their business of tailoring & clothing, 22% did trade and business, while only 2% utilized it to build up their business of handicrafts & embroidery.

Average Loan Size & Balance

The average loan size of DSP increased from 52,129 (by the end of the previous quarter) to 53,495 (by the end of the reporting period) whereas average loan balance is decreased from 28,836 (by the end of the previous quarter) to 28,738 (by the end of the reporting quarter). A comparison of average loan size and average loan balance, during the last two quarters, is given here.



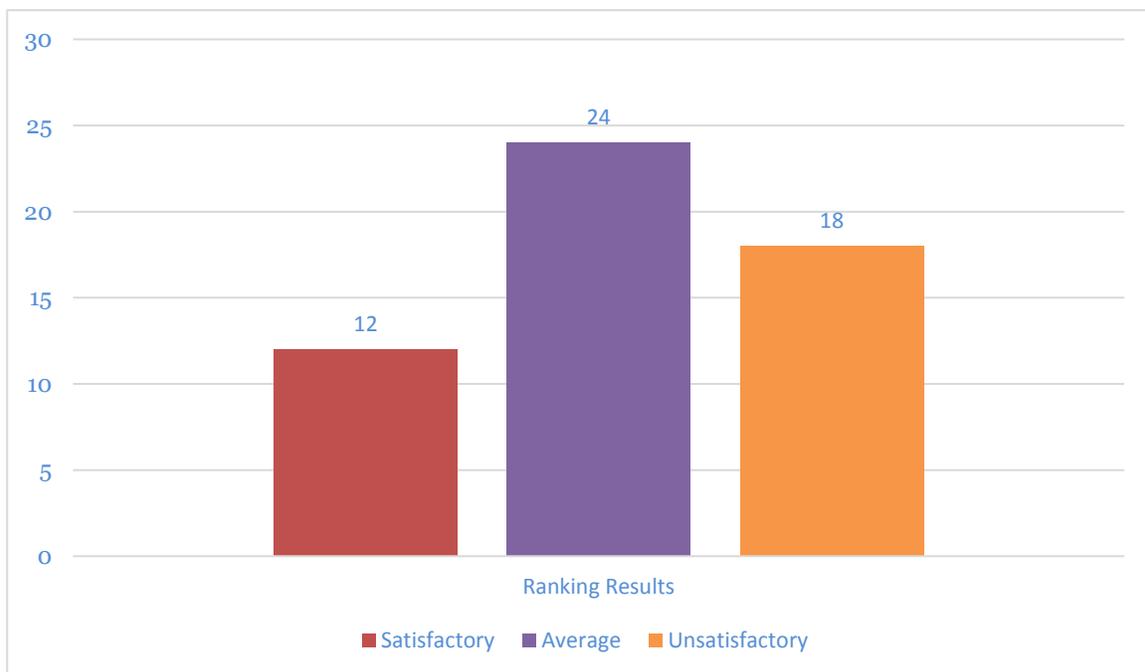
Complaint Redressal

DSP is redressing the grievances of its clients through its Complaint Redressal Cell. This cell is effectively working in the Head Office as well as in Regional Offices. By the end of the reporting period, this cell received a total of 135 complaints, out of which 78 were settled while other 57 unresolved are health claims reliant on the insurance company.

Internal Audit Updates

Field Offices Ranking

With the objective of having an overview of all DSP branches, the Internal Audit Section completed the first round of field offices' ranking by the end of the reporting period. The ranking is based on pre-set indicators subcategorized in Operations, HR, Finance, and Admin. The ranking describes, the overall performance of 12 branches is satisfactory, 24 are average while 18 branches have unsatisfactory performance.



Capacity Development

Capacity building emphasizes on escalating an organization's ability to do new things and improve what they currently do. Most simply, capacity building improves the organization's performance and enhances its ability to function and continue to stay relevant within a rapidly changing environment. 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 utilized for upgrading the capacities of staff. Targeted trainings towards staff are significant to assist them in meeting their key obligations. Building the skills of staff is significant in helping them out in carrying their job specifications, through fundamental as well as on-going trainings. These trainings likewise help the employees in gaining new aptitudes to perform their duties efficiently, in getting promotions within the 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, the Human and Institutional Development Section of DSP initially identifies the gaps in their performance and then decides what type of training is needed and who needs it.



Staff Trainings

Training on Delinquency Management

DSP organized four trainings on “Delinquency Management” for Field Managers, Loan Officers, and Junior Professionals of Area-VIII, IX, X, and XI. The training enhanced participants' skills on delinquency management by introducing them with early identification of potential delinquency and enabling them to analyze the most common mistakes in working with arrears and ways to eliminate them.

Sr.#	Date	Area	Nature of Participants	Number of Participants
1	6 th Jan	Area-IX	FMs, LOs, JPs	30
2	7 th Jan	Area-VII	FMs, LOs, JPs	26
3	8 th Jan	Area -XI	FMs, LOs, JPs	25
4	9 th Jan	Area-X	FMs, LOs, JPs	32
	Total			113

Training on Credit Appraisal Techniques

Two trainings on “Credit Appraisal Techniques” were organized for Area Coordinators, Field Managers, Appraisal Officers, Loan Officers and Junior Professionals of Area-V and VI. The training built the capacity of the participants to review the tools and techniques for analyzing and evaluating information from potential clients.

Sr.#	Date	Area	Nature of Participants	Number of Participants
1	6 th Feb	Area-V	ACs, Apr.o, FMs, LOs, JPs	36
2	7 th Feb	Area-IV	ACs, Apr.o, FMs, LOs, JPs	41
	Total			77



Farewell Dinner to Ex-CEO

A farewell dinner was organized in honor of Ms. Naghma Rashid to acknowledge her untiring efforts, prevailing over 27 years, and her effective contribution to the development of the Damen Support Programme (DSP). All Head Office staff along with regional and field staff was present on the occasion.



Constraints & Challenges

- Implementation of a new performance appraisal & management system at all levels and impact on the improvement of the loan portfolio.
- Maintain the yield of GLP by not allowing field staff to take recoveries before the due date
- Reduce the cost per loan
- Maintain the client base at a certain level of 2500 clients per field office.
- Monitoring of loan utilization.

Existing Gaps

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

Lessons Learnt

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