

خواتین کی مضبوطی، ترقی کی ضمانت

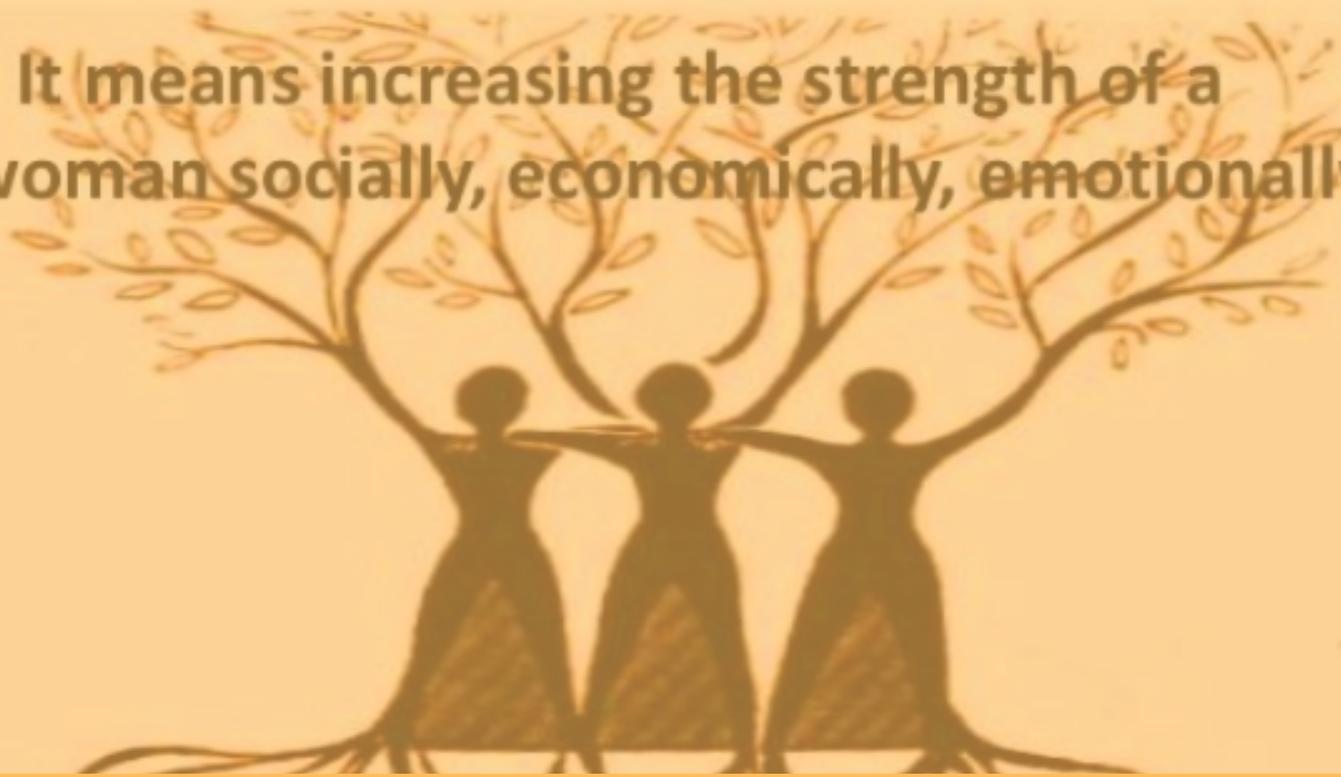
QUARTERLY REPORT JAN-MAR 2021



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Woman empowerment

It means increasing the strength of a woman socially, economically, emotionally.



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QUARTERLY REPORT

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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 AND SELF-RELIANCE THROUGH FINANCIAL INCLUSION AND
CAPACITY BUILDING



DSP Introduction

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 to work for alternative development at the 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 the 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-reliance 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



Success Stories

Parveen Bibi from 18-Chak

Parveen Bibi resides in 18-Chak with her family. Her significant other was a laborer and his sole income was just enough to provide a two-time meal to the entire family. Parveen always desired a better life for her children and most of her time was spent considering, how to accomplish it? Despite wasting all her energies, she could never find a solution. Some persons from Parveen's community were doing the business of chik making and they inspired Parveen to start this business on daily wages. It provided her some relief by enabling to make some earning, but it was still insufficient to meet her family's requirements.

Parveen wanted to earn more by starting her own business however monetary capital was not accessible for this purpose. One day, during a conversation with one of her community females, she came to know about the microcredit services provided by DSP. Parveen talked about the opportunity with her husband and after getting his consent she visited the DSP Branch in Jamber, where a DSP representative briefed her about policies and procedures of taking a loan. After getting briefed she applied for a loan and it was approved. In the wake of getting her first advance of Rs.30,000, she purchased some raw material and took a start for her own business. It multiplied her income.

Until now Parveen has used a total of six loans from DSP and every time she used them to enhance her business. Parveen's business is now well flourished and she is earning not only herself but her husband and four sons have also joined her business. She is also hiring the services of 8 persons on daily wages.

An explicit improvement can be observed in the living style of her family. "Financial support of Damen Support Program has entirely altered my life. It has empowered me to give a comparatively better and prosperous life to my family as well as enabled me to give in inheritance a running business to my sons, which can help them to earn respectably" says Parveen. Parveen has constructed a cemented home as well as purchased a 10 marlas plot from the same business while in the future she wants to extend her business by increasing the stock of raw material.



Bahar Hanif from Jamber Khurd

Bahar Hanif lives in Jamber Khurd together with her parents and 9 siblings. Her father was a farmer and used to cultivate land on contract. Despite the entire day's diligent work, her father couldn't provide two times meal to a huge family comprising of 12 members. Bahar always found her mother wasting her energies in thinking about the way to provide a far better life to her children and wed her daughters? Permanent worries of her parents kept distressed to Bahar also and she often considered providing relief to them but could do nothing for being juvenile.

After growing up Bahar considered about doing some job but couldn't do that due to not getting permission from her family. Rather than getting disheartened Bahar started thinking about alternate solutions and came to the conclusion of starting the beauty salon at home. For starting her saloon, she needed to learn beauty skills but finances weren't available for the purpose. One among her friend's mother was running her beauty salon and Bahar requested her to train her on these skills. After getting trained she decided to start her salon at home but resources weren't available for the purpose. It had been the time when she met with a female of her community, also a client of DSP, who told her about the microcredit facilities provided by DSP. It showed a ray of hope to Bahar. Having an intention to avail the opportunity, she visited DSP's branch in Jamber where DSP staff informed her about policies and procedures for taking the advance. After getting briefed she applied for a loan which was approved. From the loan amount of Rs.30,000, she purchased some beauty accessories and began handling customers at home. Initially, Bahar couldn't earn more but

with time number of her customers was increased because of her hard work and perfection in her hands. Her customers played a major role in increasing her clientele. With the rise in her clientele, she needed to expand her set-up, for this purpose she used DSP's loan facility multiple times.

Recently, Bahar is DSP's client of the 6th loan cycle and capable of earning more than Rs.30,000 per month. From her savings, she has not only expanded her business but also helped her father in starting a tea stall which empowered him to earn a reasonable amount to bear the expenses of their family. Bahar financially supported her father in wedding four siblings of her, as well as have prepared a complete dowry for the wedding of her own and another sister of her. "After marriage, I'll shift in my in-laws' home and it wouldn't be possible for me to run my existing business. But it'll not affect my family because I have trained my sister, who will run this business after me" says Bahar. While showing her trust in DSP, Bahar says, "Whenever I needed financial support DSP was there to help me. After marriage, if I will need money to start my business in my in-laws' home I'll again contact DSP with one hundred percent confidence in it".



Irshad Bibi from Habibabad

Irshad Bibi enjoyed a happy life after marriage. Her husband, Khadim Hussain, had a Shahzor (a transport vehicle) which he was driving himself to earn his living. Life was going on smoothly and there was no issue in their lives. A few years back they met a severe financial crisis which led her husband to sell his only source of earning. Afterward, Khadim was jobless and despite all his endeavors, he could not succeed in getting a job.

It was a fundamentally extreme time for Irshad as she had no substitute source of earning while her youngsters were there to request food from her. She also tried to get a job by herself but it didn't result fruitful in the absence of any education and professional skills. Rather than making it her weakness, she got a loan from one of her relatives and started the business of selling bangles. It empowered her to make some money to meet some expenses of her children, but she needed more to fulfill her responsibilities towards her family. Initially, Irshad couldn't get more customers but with the passage of time she became famous in the community, and females from other areas also started visiting her for purchasing bangles. With the expansion in her clientele, she needed to increase her stock of bangles but financial resources were not available for the purpose.

Around then, she caught wind of microloans given by DSP from one of her relatives, likewise a customer of DSP. To get the advantage of these services she visited the DSP Branch in Habibabad where DSP staff informed her about policies and procedures for taking the advance. After getting briefed she applied for advance and it was

approved. From the credit sum, she increased her stock of bangles enabling her to fulfill the requirements of an increased number of customers.

The benefit obtained through her very own business expanded her enthusiasm as well as urged her to additionally grow it. For this reason, she took a total of six credits from DSP and each time used it to expand her business. Recently, Irshad has a well-established shop in the market where she sells bangles, females' undergarments, and jewelry items. Her monthly income is more than Rs.35,000 and she is bearing almost all expenses of her family. She has wedded her two daughters as well as repaired her home from her savings also. "After my husband became jobless, I had no alternate source of earning. Even after starting my business by taking a loan from a relative my family often had to remain without a meal. I tried to get more loans from my other relatives but none of them trusted me. In those tough times, only DSP trusted me by giving an advance of Rs.35,000 and I tried to sustain that trust by working hard" describes Irshad.



Bushra Bibi from Mian K Morr

Bushra Bibi resides in Mian K Mor with her husband and 2 kids. Her husband is a vendor and sells blankets in the streets of Phoolnagar. Bushra herself used to sell bangles while wandering in the streets but she never liked it. She always wanted to have a shop for the purpose but money was not available for it. One day, while wandering in the streets, Bushra found a big crowd of females outside a building. Upon investigation, she came to know that it was the Damen Support Programme's Phoolnagar Branch and a females' crowd was gathered there for getting the loan. It fascinated her and she decided to avail the opportunity.

The very next day she visited the DSP branch to apply for the loan which was approved after appraisal. From the first advance of Rs.45,000, she got a small stall in the market and made it her sale point. It increased her earning by increasing her clientele. Inspired by her earning, Bushra planned to take a proper shop on rent and accomplished it with the second advance from DSP. She also increased the stock at her shop. Now Bushra has a proper shop in the market and her earning is more than Rs.35,000 monthly. "

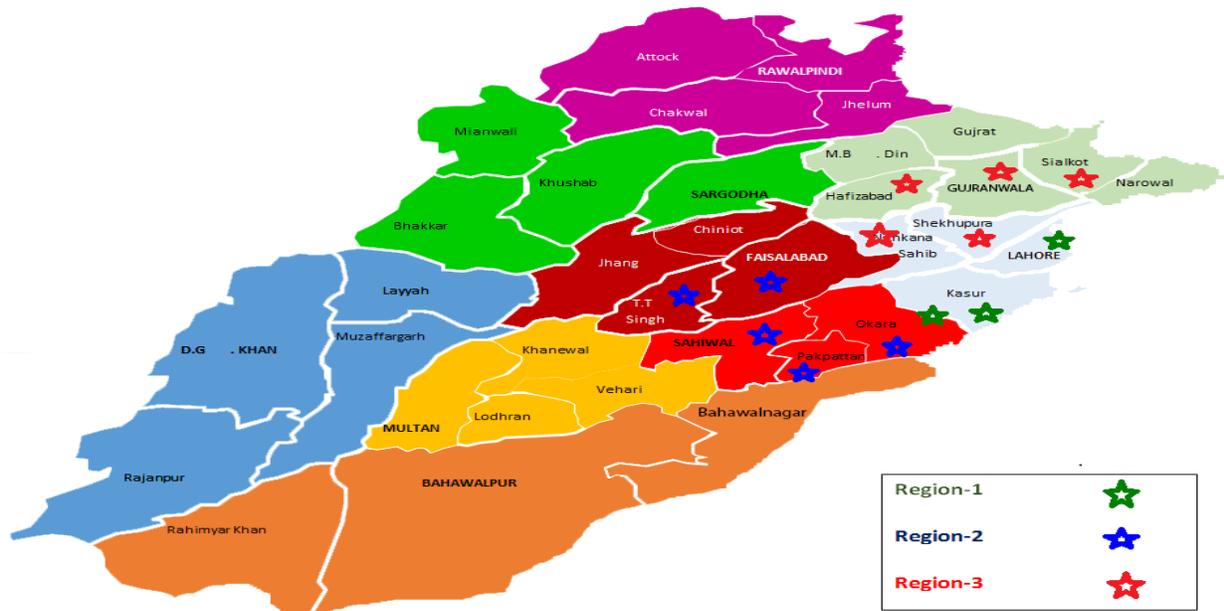
"I never liked to wander in the streets but I had to do that for the sake of my children. I did never think that I would ever be able to have my business place to earn in a respectable way but DSP provided me an opportunity for it" describes Bushra. Bushra is not only earning by herself but also established a separate shop for her sister and in return, she pays Bushra Rs.10,000 every month.

Bushra seems very happy now as she has not only purchased some electronic items for her home but is also providing good education to her children. "Not a single child of our community has ever gone to school but I am sending my both children to private schools and it could only be possible due to the financial assistance by DSP" Bushra gives credit 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 this 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.

Geographical Existence of DSP



Outreach

Till the end of the reporting period, a total of 49 branches of conventional microfinance were working in 9 areas i.e Lahore-I (Area-I), Lahore-II (Area-II), Sheikhpura (Area-III), Kasur (Area-IV), Nankana (Area-V), Okara, Sahiwal, & Pakpattan (Area-VI), Faisalabad (Area-VII), Gujranwala, Sialkot & Hafizabad (Area-VIII) and Toba Tek Singh (Area-IX), while 5 Sharia Branches were operational in Kot Radha Kishan (Area-II), Pakpattan (Area-VI), Muslim Town (Area VII), Hafizabad (Area-VIII), and Rajana (Area-IX).

Lahore Region-I

Region-I		
Lahore	Lahore	Kasur
<p>Area-I</p> <p>Niaz-Baig</p> <p>Chung</p> <p>Kahna Nau</p> <p>Ali Raza Abad</p> <p>Bhola Garhi</p>	<p>Area-II</p> <p>Shamki Bhattiyan</p> <p>Halloki</p> <p>Raiwind</p> <p>Manga Mandi</p> <p>Maraka</p> <p>KRK (SB)</p>	<p>Area-IV</p> <p>Phoolnagar</p> <p>Habibabad</p> <p>Pattoki</p> <p>Jamber</p> <p>Chunian</p> <p>Renala Khurd</p> <p>Okara</p>

Faisalabad Region-II

Region-II		
Okara / Sahiwal	Faisalabad	Toba Tek Singh
<p>Area-VI</p> <p>Deepalpur</p> <p>Hujra Shah Muqem</p> <p>Haveli Lakha</p> <p>Sahiwal-I</p> <p>Sahiwal-II</p> <p>Chichawatni</p> <p>Arifwala</p> <p>Pakpattan (SB)</p>	<p>Area-VII</p> <p>Faisalabad</p> <p>Thikriwala</p> <p>Samandri</p> <p>Jaranwala</p> <p>Muslim Town (SB)</p>	<p>Area-IX</p> <p>T.T.Singh</p> <p>Gojra</p> <p>Pirmahal</p> <p>Kamalia</p> <p>Rajana (SB)</p>

Sheikhupura Region-III

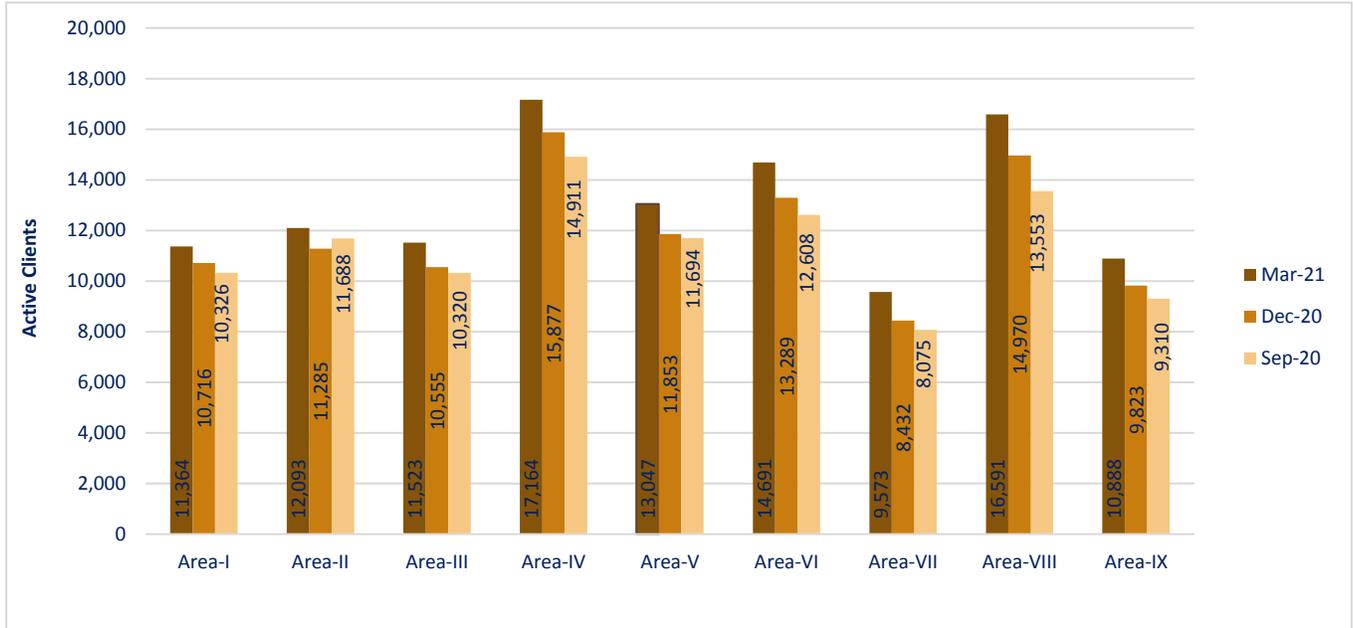
Region-III		
Sheikhupura	Nankana Sahib	Gujranwala / Sialkot
<p>Area-III</p> <ul style="list-style-type: none"> Begum Kot Dhamkey Sharqpur Rachna Town Muridkey 	<p>Area-V</p> <ul style="list-style-type: none"> Nankana Shahkot Warburton Bucheki Morkhunda 	<p>Area-VIII</p> <ul style="list-style-type: none"> Alam Chowk Kamokey Wazirabad Hafizabad (SB) Sialkot Pasrur Sambrial Daska

Overall Review of Active Clients and OLP

DSP is gradually undergoing a recovery phase from the dent endured during the Covid-19 situation and it is reflected by the increasing trend of active clients and DSP's outstanding loan portfolio (OLP) during the previous two quarters. An overview of the previous two quarters shows a 4.2% increase in active clients which raised the OLP up to 12.7% during the quarter ending in December 2020. Similarly, a 9.5% rise in active clients resulted in augmenting the OLP up to 8.3% during the reporting quarter.

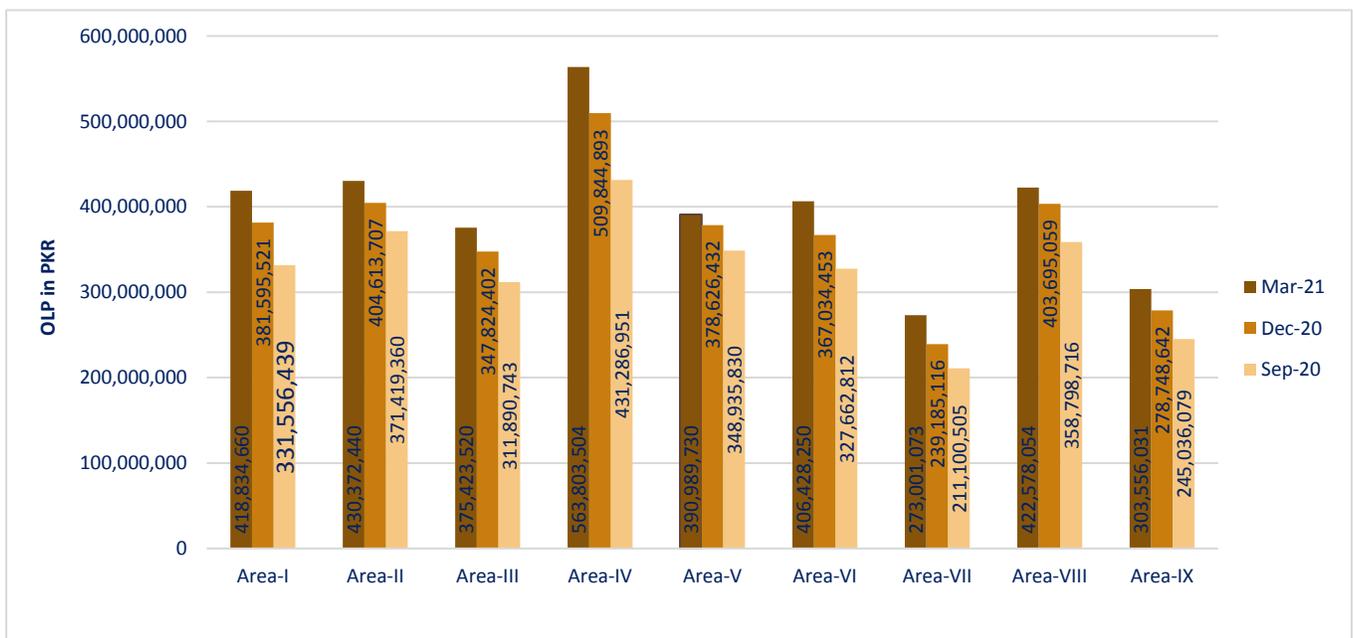
An area wise segregation of active clients shows that total number of active clients was increased from 10,716 to 11,364 in Area-1, from 11,285 to 12,093 in Area-II, from 10,555 to 11,523 in Area-III, from 15,877 to 17,164 in Area IV, from 11,853 to 13,047 in Area-V, from 13,289 to 14,691 in Area-VI, from 8,432 to 9,573 in Area-VII, from 14,970 to 16,591 in Area-VIII and from 9,823 to 10,888 in Area IX. It depicts 6%, 7.2%, 9.2%, 8.1%, 10%, 10.6%, 13.5%, 10.8% and 10.8% increase, respectively in Area-1, II, III, IV, V, VI, VII, VIII and IX.

Area-Wise Segregation of Active Clients



Likewise, area wise review of OLP shows an expansion from 381,595,521 to 418,834,660 in Area-1, from 404,613,707 to 430,372,440 in Area-II, from 347,824,402 to 375,423,520 in Area-III, from 509,844,893 to 563,803,504 in Area-IV, from 378,626,432 to 390,989,730 in Area-V, from 367,034,453 to 406,428,250 in Area-VI, from 239,185,116 to 273,001,073 in Area-VII, from 403,695,059 to 422,578,054 in Area-VIII, and from 278,748,642 to 303,556,031 in Area-IX.

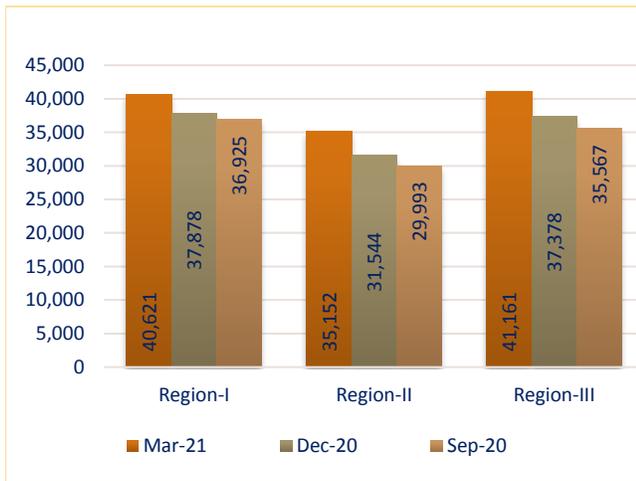
Area-Wise Segregation of OLP



Region Wise Analysis of Active Clients and OLP

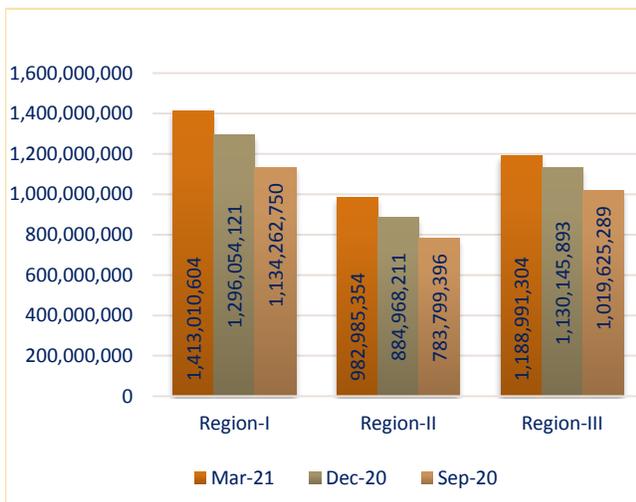
The overall increase in active clients of DSP is because of the rising trend of active clients at the regional level. Region1, II, and III respectively depict an average increase of 7.2%, 11.4%, and 10.1% in active clientele.

Region-Wise Segregation of Active Clients



Similarly, LTS figures also portray the growing trend of OLP of all three regions as Region-1, II, and III respectively show a 9%, 11.1%, and 5.2% increase in OLP.

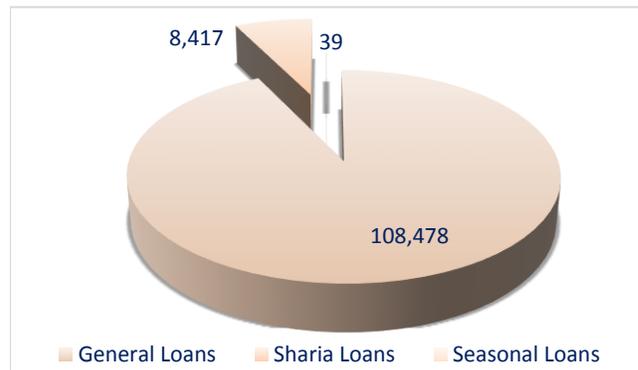
Region-Wise Segregation of OLP



Product Wise Analysis of Active Clients and OLP

Product-wise analysis of active clients reflects that majority of DSP clients is getting the benefit of general loans, sequentially followed by sharia loans and seasonal loan. The main reason behind the greater interest for general loans is that it was the initial and only product of DSP and the other two products were introduced later. Simultaneously, greater loan size can also be a reason behind it.

Product-Wise Segregation of Active Clients



Likewise, the OLP of General Loans was increased from PKR 3,091,606,366 to PKR 3,336,912,097 and of Sharia Loans from PKR 217,737,777 to PKR 246,368,092, while OLP of Seasonal Loans was decreased from PKR.1,824,082 to PKR 1,707,073.

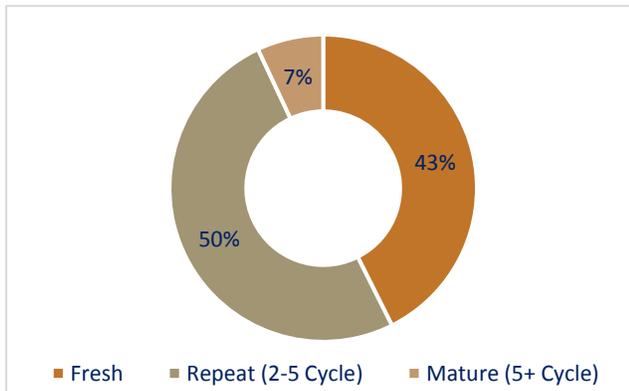
Product-Wise Segregation of OLP



Division of Clients Regarding Loan Cycle

DSP aims to establish long term relations with its clients. This is evident as only 50% of its active clients account are new while long term relations have been established with 57% of our active client; out of which 7% account for a 5 year + relationship

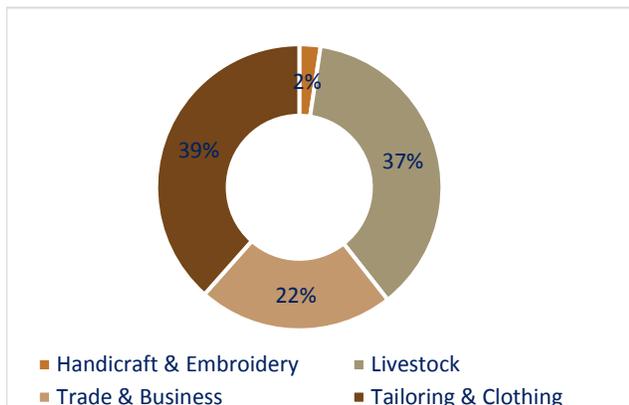
Segregation of Clients Regarding Loan Cycle



Business Categorization of Loans

The majority (39%) of DSP clients is related to tailoring & clothing, followed by livestock (37%), trade & business (22%), and handicrafts & embroidery (2%).

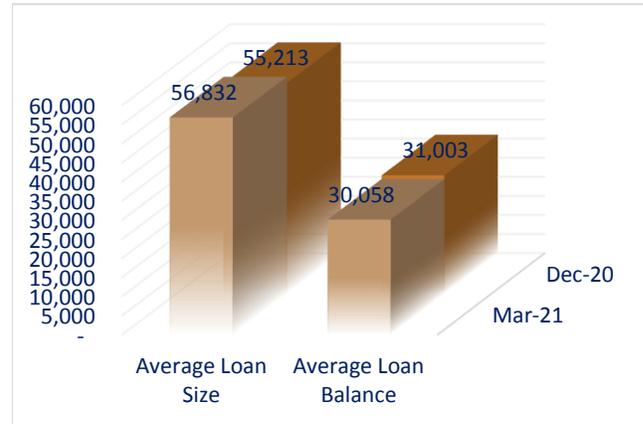
Business Categorization of Loans



Average Loan Size & Balance

The average loan size of DSP increased from 55,213 (by the end of the previous quarter) to 56,832 (by the end of the reporting period) while the average loan balance is decreased from 31,003 (by the end of the previous quarter) to 30,058 (by the end of the reporting quarter). A comparison of average loan size and average loan balance, during the last two quarters, is given below

Comparison of Average Loan size and Balance



Portfolio at Risk Ratio

By the end of the reporting period value of PAR > 29 days (after deferment) remained 9.61.

Complaints 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. During the reporting period, this cell received a total of 129 complaints, out of which 116 were resolved while the other 13 unresolved are health and death claims dependent on the insurance company.

Capacity Enhancement

2-Day Training on Islamic Microfinance

DSP has a strong focus on the capacity building of its staff and takes multiple initiatives in this regard. The signing of a one-year agreement with Al-Huda (CIBE) is one of the initiatives taken to enhance the skills of its staff to better deal with Islamic microfinance.

Complying with the terms of the agreement, a 2-day training on Islamic microfinance was organized for all HODs at Head Office and selected staff from Sharia Branches. Mr. Zubair Mughal, CEO, Dr. Khalil-ur-Rehman, Research Consultant-Trainer, and Mufti Raees Ahmad, Sharia Advisor of Al-Huda CIBE delivered the training. The training enhanced the capacity of participants, to better perform their duties by refining their understanding regarding the products, policies, and procedures of Sharia Microfinance. A total of 27 participants were benefited from the training.

Junior Professionals' Training

DSP provides opportunities to young and inexperienced professionals under a Junior Professionals (JPs) Programme. JPs program of DSP aims to create a pool of trained microfinance professionals to utilize their expertise in case of turnover. Under this programme young professionals are trained to follow DSP's loan policies and procedures for the effective output of the program. During the reporting period, a total of five trainings were organized in Head Office for 10 Junior Professionals. The topics covered in these trainings were social mobilization, credit appraisal techniques, portfolio & delinquency management, and communication skills.





External Trainings

- Regional Managers (Region-II & III) joined 3 web meetings organized by the Inspiring Development Frankfurt on 5th, 19th, and 26th January.
- GM Operations and Senior Manager Risk attended “Microfinance Enterprise Risk Management Certification Programme” organized by PMN on 10th & 11th March at Grand Palm Hotel Ferozpur Road, Lahore.



Networking & Linkages

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



Constraints & Challenges

- smooth continuation of the disbursements and recoveries due to the COVID-19 situation.
- 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 level of 2400 clients per field office.
- Monitoring of loan utilization.

Existing Gaps

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

Lessons Learnt

- Improved monitoring (from Head Office, Regional Offices, Area / Field offices) can ensure the success of the program.
- Strong mobilization for group 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.