



خواتین کی مضبوطی، ترقی کی ضمانت

## Quarterly Report April-June-2021



26-C, NAWAB TOWN RAIWIND ROAD, LAHORE  
PHONE : 04 2 - 3 5 3 105 7 1 - 2 FAX : 04 2 - 3 5 3 104 7 3  
URL : WWW.DAMENS.P.COM  
E-MAIL : INFO@DAMENS.P.COM /  
INFO@DAMEN-PK.ORG





*Report Written By:  
Aisha Almass-Senior Research & Documentation Officer  
Edited By:  
Abdul Aziz Malik-Senior Manager Human Resource*

# **TABLE OF CONTENTS**

- 
- 1. VISION & MISSION**
  - 2. DSP INTRODUCTION**
  - 3. SUCCESS STORIES**
  - 7. OPERATIONAL STRATEGIES**
  - 8. OPERATIONAL ENACTMENTS**
  - 14. ESTABLISHMENT OF SAM DEPARTMENT**
  - 15. INITIATIVES TAKEN BY HR**
  - 16. CAPACITY ENHANCEMENT**
  - 19. NETWORKING & LINKAGE**
  - 20. CONSTRAINTS & CHALLENGES**



Sustainable  
development through  
financial inclusion

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

### Nabila Amjad from Maraka

Nabila lives in Islam Nagar with her husband and a son. Her husband was a daily wager in a garments factory and whatever he earned was just enough to accomplish their basic requirements. Nabila always wanted a better and comfortable life for her family which seemed impossible in the limited income of her husband. To fulfill her desire, she started stitching clothes which provided some ease to her. But a couple of years back, a serious ailment of her significant other, left them devastated and out of any financial savings. All energies and money were spent on his treatment for a long time.

It was when Nabila's tailoring business was also slowing down because her husband could not bring clothes for stitching from her clients residing in Bahria and other nearest societies. It was an extreme time for Nabila as she had no substitute source of earning while her youngster was there to request food from her.

Amid that extreme situation, she came to know about microloans given by DSP from one of her relatives, likewise a client of DSP. To get the advantage of these services she visited the DSP Branch in Maraka where DSP staff informed her about policies and procedures for taking the advance. After getting briefed she applied for a loan and it was approved. From the credit sum, she acquired a stock of laces and jewelry for sale. Initially, she couldn't earn more but with time she started earning a reasonable amount from this.



The benefit obtained through her business increased her enthusiasm as well as urged her to additionally expand it. For this reason, she took a total of five credits from DSP and each time expanded the stock at her shop. Nabila is running not only her shop but has also trained 4 females of her area in tailoring. They support Nabila in stitching clothes that her husband collects from the residents of different societies. Her husband has restarted his job after having a cure from disease but still, Nabila is not only the main financial supporter of her family but has also constructed a cemented home on the plot which she received in inheritance from her in-laws.

“I started a business to provide a better life to my family but in limited resources, it could not work effectively. After the ailment of my husband, I was again standing at zero, at that time DSP played the role of a beacon in the darkness by providing a direction to move on”.

## Parveen Samuel from Raiwind

After the death of her father, Parveen found her mother struggling for their survival. In the absence of any other source of income, her mother used to cultivate the land by herself. Having a very soft corner for her mother, Parveen always tried to share her burden by helping her in the fields. But even the collective efforts of both of them could not do more than providing two times meals to their family while the stress of her mother to marry her daughters was increasing day by day.

To reduce her stress Parveen decided to do the business of livestock and for this purpose, she started making small saving from her income. In the meantime, a female of her community told her about the micro-credit services provided by DSP. She went to a branch but with low expectations, figuring that this institution would ultimately reject her application. To her surprise, the branch staff visited her home the very next day for appraising her business. After a complete appraisal and documentation procedure, she was allocated a loan of PKR 8,000.

With the loan amount, combining it with her savings, Parveen purchased a buffalo and started the business of selling milk. With the increased profit from her business and subsequent loans from DSP, she has steadily increased her business of livestock. Today she has a total of 6 buffalos and is earning more than Rs.45,000 per month from her business of livestock.

Parveen stresses that if she had not had a good initial experience with DSP, she would not have come back for additional financing after paying off her first loan. But she says that with DSP's help, her prospects have immensely improved. They are now living in a cemented home, constructed by the saving from her livestock business. Parveen says that when she first started her business of livestock, money was so scarce that some nights the family had to sleep without eating but nothing like that happens today. Although the mental stress of her mother has not finished, as Parveen couldn't get married because of fulfilling her responsibilities towards her family, yet it has been reduced due to the wedding of her two other daughters. Parveen has nothing but optimism for her business, and her family's future. She has peace of mind.



## Shakila Jahangir from Bholagarhi

Being a part of the joint family system Shakila's life was not easy after marriage. Her better half worked in a garments factory and also had to bear the expenses of his parents and siblings in his limited resources. Shakila always found her husband worrying over the meager expenses of their family while the situation was worsening with the growth of their family. Shakila didn't want her children to face the hardships which she was observing since her marriage. She always dreamed of a better life for them and chose to use her stitching skills to bring her dreams to reality. For this purpose, she took a loan of Rs.8,000 from Damen Support Programme and purchased a sewing machine while her mother-in-law motivated the females of her community to come to her for stitching. It enabled her to make some money, though the amount was not enormous yet it empowered her to bear some burden of her family. Shakila gradually improved her tailoring business by taking more loans from DSP.

With time, she had been able not only to earn a reasonable amount but her business senses were also activated. These senses provoked her to purchase a jockey machine from DSP's monetary support and start stitching kids' garments on order from various shops in Kareem Market. Her doubled income persuaded her husband to join her business after leaving his job. Shakila helped him in getting jockey machine by another advance from DSP. Due to the perfection in Shakila's hand and the good communication skills of her husband, shopkeepers started placing huge orders to them. To complete those orders in time Shakila also included her other family



members in her business. The benefit obtained through her business encouraged them to work hard. As an outcome of their untiring endeavors, they have been able to establish an appropriate unit for stitching kids' garments, where her seven family members including sons, brother, and sister-in-law also assist her. "Both my sons have joined my business after completing their matriculation because I want them to spend their energies for enhancement of our business instead of squandering in search of a job and working for others".

Recently collective earning of the whole family is more than 2 lac and they all are living a happy and comfortable life. Shakila has not only established a stitching unit but has also constructed a home after purchasing a 2.5 marlas plot. While attributing her success to DSP she says, "If DSP was not there, I could never be able to satisfy my obligations towards my family. DSP's support helped me in providing a better and comfortable life to my youngsters and other relatives". Shakila receives incredible regard from the community while her in-laws esteem her solid assurance and respectable undertakings to bring up her children, without commitment to other people

## Sumaira Bibi from Shamki Bhattian

Life had come to end for Sumaira, after the death of her husband. She lost all charms and attractions of life and spent most of her time remembering her husband. But very soon she realized the cruel realities of life and for the sake of her children, she started coming back to realities. After her husband's death, the survival of her children was the greatest challenge for her. Initially, her brother took the responsibility for her family but she didn't like to be a burden over him therefore, she decided to restart her business of adda embroidery which she was doing before marriage.

It was the time when Sumaira heard from her sister-in-law, likewise a client of DSP, about microloans given by DSP. To get the advantage of these services she visited the DSP Branch in Shamki Bhattian 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 acquired some fabric and crude material to prepare her dresses. She didn't face any difficulty in showcasing her dresses due to previous experience and perfection of work.

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 every time used it to expand her business.

The financial assistance of DSP and her own hard work has enabled Sumaira to fulfill her responsibilities towards her children. "DSP support helped in keeping the self-respect and self-esteem of my family by empowering me to bear the educational and other expenses of my children. Now my family is not a burden over my brother because I am earning a reasonable amount for their needs" says Sumaira.

Sumaira has also started the business of selling seasonal clothes as well as purchased a peeco machine to do the peeco work while staying at home.





## Operational Strategies

### Implementation of Operational Changes

During the reporting period, Operations at DSP made some significant changes regarding its operational strategy. These changes are highlighted as follows:

1. The credit limit in 1<sup>st</sup> loan cycle has been raised to Rs. 60,000.
2. A separate department, Special Asset Management & Islamic Microfinance (SAM), has been established.
3. SAM department will look after loans of PAR> 59 days.
4. The exposure limit for new loans has been increased from Rs. 0 to Rs. 25,000 and for repeat loans from Rs.15,000 to Rs.45,000.
5. Branches are re-adjusted to keep a balance of 6 branches in each area.
6. Area Managers are no more responsible for disbursement. Disbursement is only the responsibility of field managers and accounts officers.
7. Accounts officers are reporting directly to the finance department.
8. 2 new following products have been introduced;
  - Agriculture loan
  - Concept of co-borrowers i.e., a client can get a loan for partnership in her blood relation's (Husband, brother, father & son's) business.
9. 3-5% Cash incentive was approved on recovery from the clients in PAR >59 days, although it is the exclusive assignment of the SAM Department yet other staff can also avail this opportunity after 100% completion of their routine tasks.
10. The incentive will be calculated and distributed on monthly basis after closing.

## 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-1), Lahore-II (Area-2), Sheikhpura (Area-3), Kasur (Area-4), Nankana (Area-5), Okara, Sahiwal, & Pakpattan (Area-6), Faisalabad (Area-7), Gujranwala, Sialkot & Hafizabad (Area-8) and Toba Tek Singh (Area-9), while 5 Sharia Branches were operational in Kot Radha Kishan (Area-2), Pakpattan (Area-6), Muslim Town (Area-7), Hafizabad (Area-8), and Rajana (Area-9).

To bring improvement in the field set-up and get better results some branches were re-adjusted among areas. Area wise detail of branches after re-adjustment is given below;

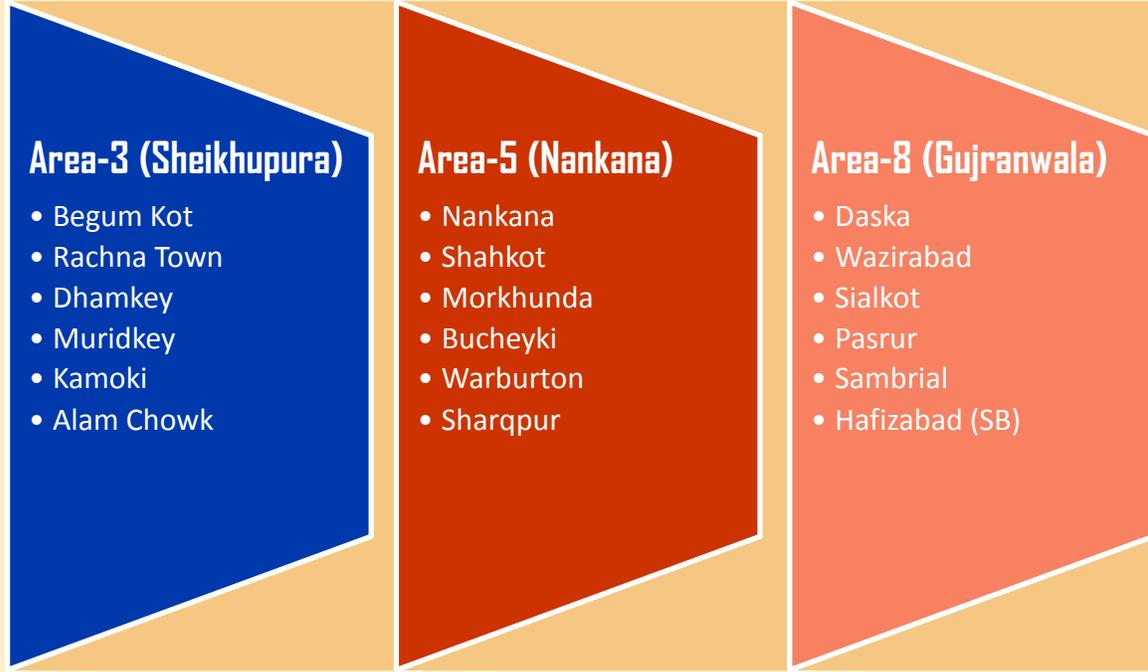
### Lahore Region-I



### Faisalabad Region-II



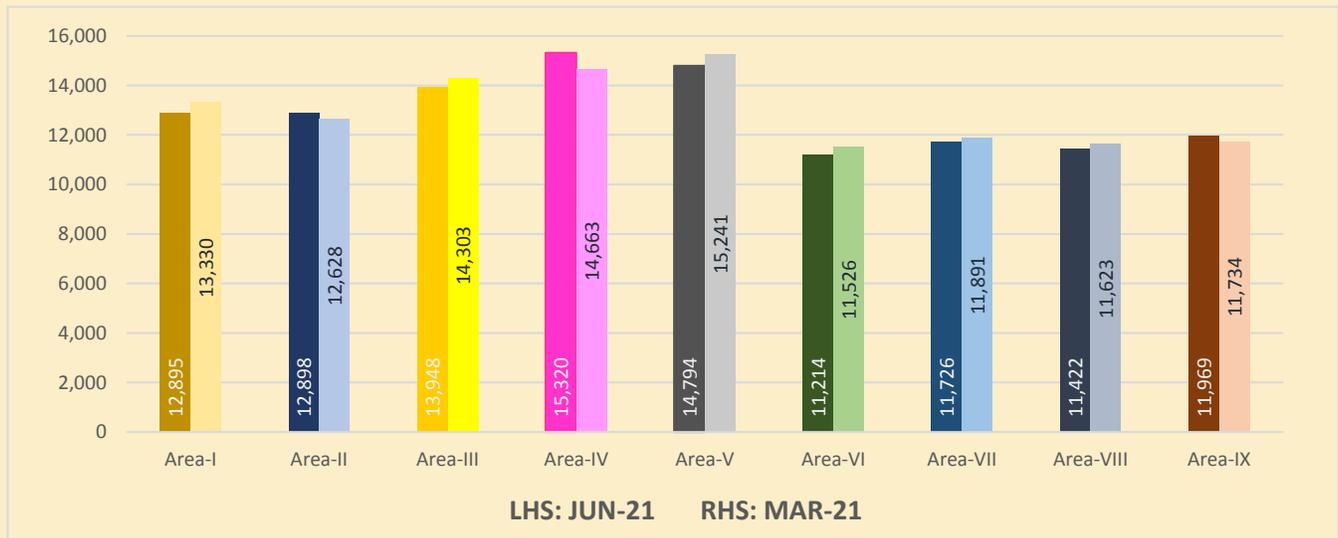
### Sheikhupura Region-III



### Active Clients

During the reporting period, the total number of active clients of DSP remained 116,186 with 12,895 clients in Area-1, 12,898 in Area-2, 13,948 in Area-3, 15,320 in Area-4, 14,794 in Area-5, 11,214 in Area-6, 11,726 in Area-7, 11,422 in Area-8, and 11,969 clients in Area-9.

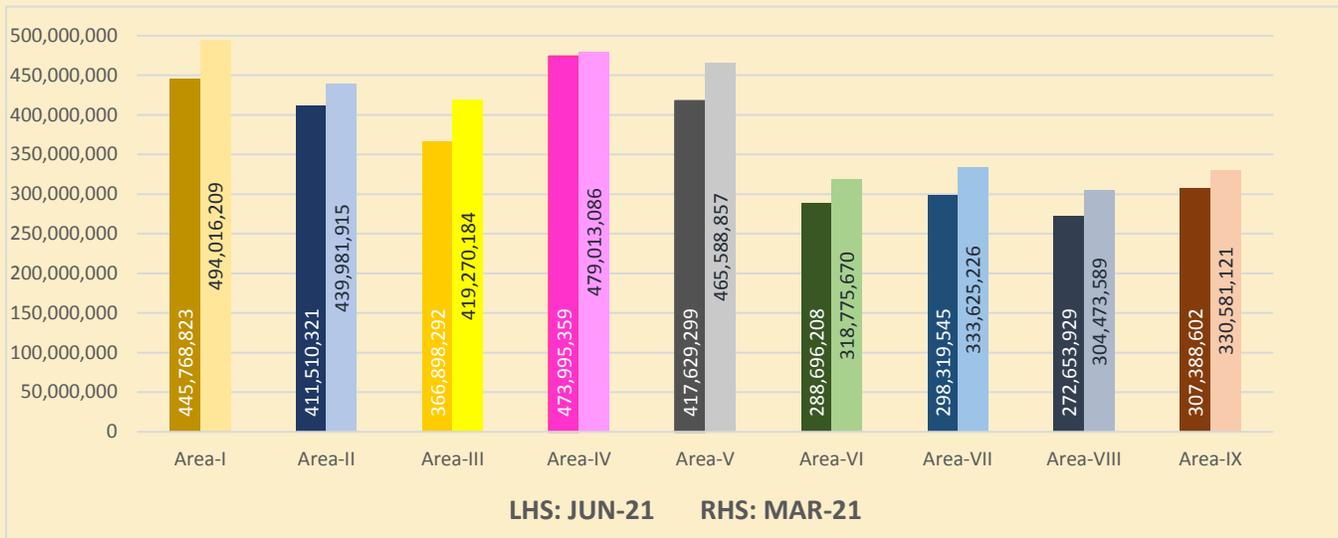
### Area-Wise Segregation of Active Clients



## Outstanding Loan Portfolio (OLP)

Total OLP of DSP remained Rs.3,282,860,738 with Rs.445,768,823 OLP of Area-1, Rs.411,510,321 of Area-2, Rs.366,898,292 of Area-3, Rs.473,995,359 of Area-4, Rs.417,629,299 of Area-5, Rs.288,696,208 of Area-6, Rs.298,319,545 of Area-7, Rs.272,653,929 of Area-8, and Rs.307,388,602 OLP of Area-9.

### Area-Wise Segregation of OLP



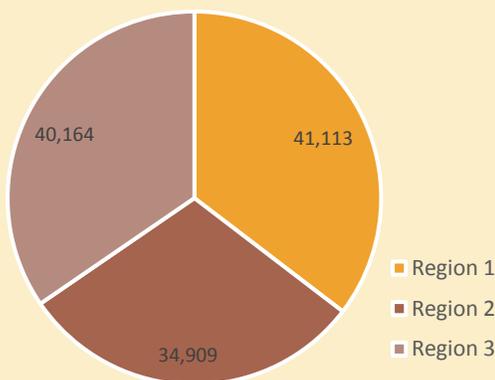
### Region-Wise Segregation of Active Clients

Active Clients of Region-1 were increased from 40,621 to 41,113, while active clients of Region-2 and 3 were decreased respectively from 35,151 to 34,909 and from 41,167 to 40,164.

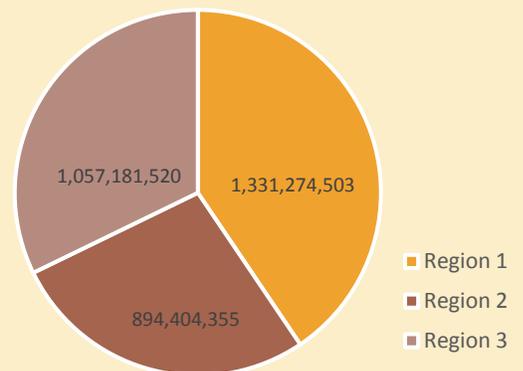
### Region-Wise Segregation of OLP

OLP remained Rs.1,331,274,503, Rs.894,404,355 and Rs.1,057,181,520 in Region-1, 2 and 3 respectively.

### Region-Wise Segregation of Active Clients



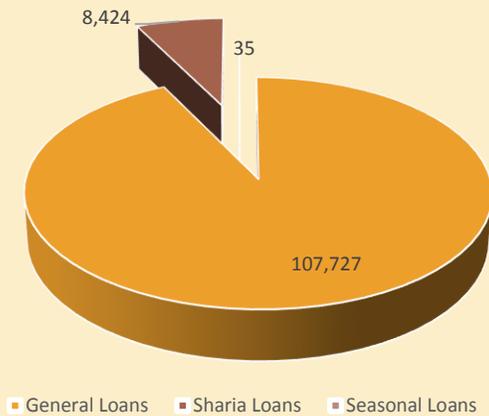
### Region-Wise Segregation of OLP



### Product-Wise Segregation of Active Clients

Majority (92.7%) of DSP's clients is getting the benefit of general loans, followed by (7.2%) sharia loans and (.03%) seasonal loan.

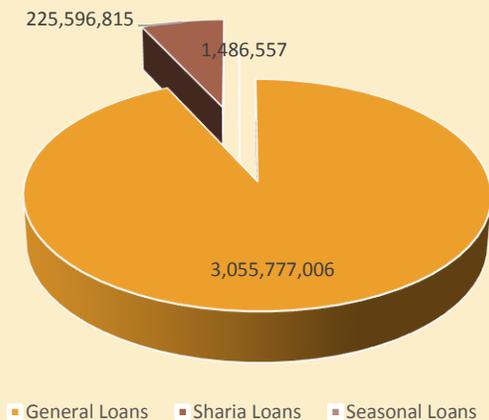
#### Product-Wise Segregation of Active Clients



### Product-Wise Segregation of OLP

The OLP of General Loans, Sharia Loans and Seasonal Loans remained Rs.3,055,777,006, Rs.225,596,815 and Rs.1,486,557 respectively.

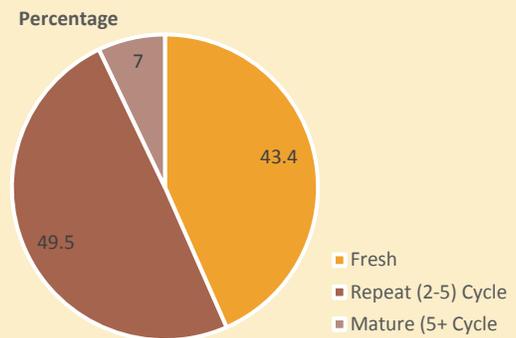
#### Product-Wise Segregation of OLP



### Division of Clients Regarding Loan Cycle

DSP aims to establish long term relations with its clients. This is evident as only 43.4% of its active clients account are new while long term relations have been established with 56.6% of our active client; out of which 7.1% account for a 5 year + relationship.

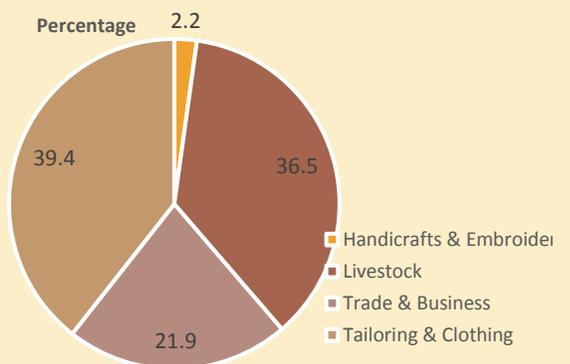
#### Segregation of Clients Regarding Loan Cycle



### Business Categorization of Loans

The majority (39.4%) of DSP clients is related to tailoring & clothing, followed by livestock (36.5%), trade & business (21.9%), and handicrafts & embroidery (2.2%).

#### Business Categorization of Loans



## Average Loan Size & Balance

The average loan size of DSP increased from 56,834 (by the end of the previous quarter) to 62,367 (by the end of the reporting period) while the average loan balance is decreased from 30,660 (by the end of the previous quarter) to 28,255 (by the end of the reporting quarter).

## 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 8.86.

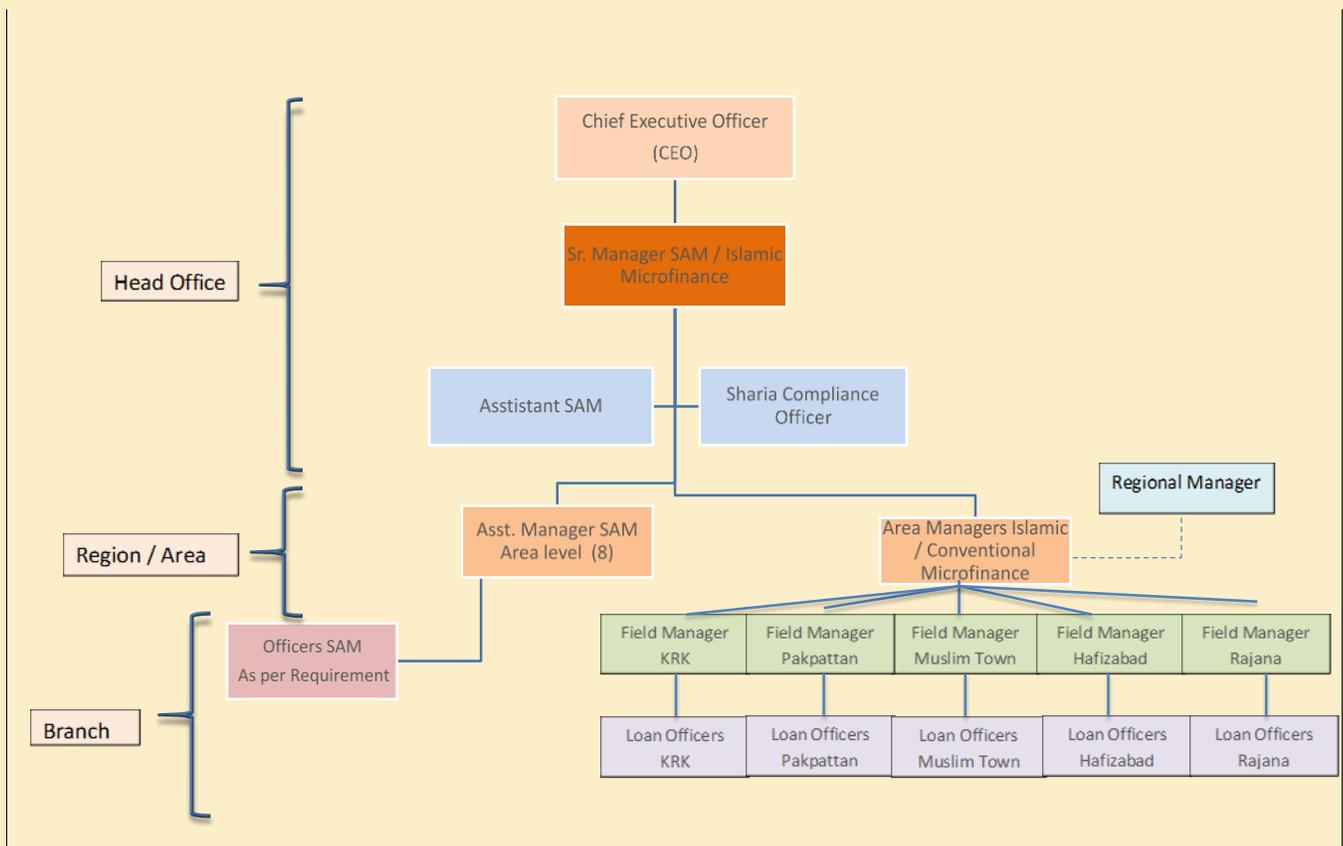
## Complaints Redressal

DSP has a strong focus on redressing the grievances of its clients. For this purpose, a Complaint Redressal Cell is effectively working in the Head Office as well as in Regional Offices. During the reporting period, this cell received a total of 104 complaints, out of which 90 were resolved while the other 14 unresolved are health and death claims dependent on the insurance company.

## Establishment of SAM Department

Special Assets Management & Islamic Microfinance (SAM) Department was established under the supervision of Ms. Rukhshanda Riaz. SAM department is responsible to look after the Islamic microfinance as well as for the recovery of PAR>59 days.

### Organogram Special Assets Management and Islamic Microfinance Department





## Initiatives Taken by Human Resource

Some of the initiatives taken by the Human Resource Department during the reporting period include;

1. Introduction of No Claim Certification.
2. Re-organization of Staff Personal Files.
3. Drafted the Separation Form.
4. Initiate the Out Process Email.
5. Sensitize the DSP's staff regarding Password Sharing through email and display the message on MIS Desk.
6. Introduction of HR Dashboard among the Assistants Manager HR at the region level.

## Staff Capacity Building

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 Training Section of DSP initially identifies the gaps in their performance and then decides what type of training is needed and who needs it. During the reporting quarter, DSP shared four online sessions with its field staff.

### Training on Islamic Microfinance

A training on Islamic microfinance was organized for accounts officers of all Sharia Branches. The training was organized by Special Asset Management & Islamic Microfinance (SAM) Department in coordination with Alhuda CIBE. 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 4 participants were benefited from the training.

### Training on Zoom App

In the present situation of COVID-19, the implementation of social distancing SoP has made it significant for staff to get acquainted with the Zoom app. To enable the DSP staff to use the said app a training was organized on 20<sup>th</sup> April 2021 at Head Office. Mr. Hassaan Tariq (GM-IT) and Mr. Abdulaziz Malik (Head-HR) conducted the sessions. A total of 12 participants from HO and field offices were benefited from this training.

### Training on SECP Compliance AML/CFT

Damen Support Programme in collaboration with ASK Consulting & Training organized a 2-Days training on SECP Compliance with Special Focus on Anti-Money Laundering & Countering Finance of Terrorism (AML/CFT), on 29<sup>th</sup> and 30<sup>th</sup> June 2021 at DSP's Head Office.

Mr. Agha Saeed Khan from ASK Consulting & Training delivered the training to a total of 14 participants. Mr. Musharraf Khan (CEO-DSP), and Mr. Agha Saeed Khan (Consultant - ASK Consulting & Training) distributed certificates among the participants at the end of the session.

### Trainings on LTS/FIS Integration

To acquaint accounts officers with all the changes introduced in Loan Tracking System (LTS) and Financial Information System (FIS) three trainings on LTS/FIS integration were organized by Finance Department in coordination with IT Department. A total of 51 accounts officers from all the three regions received said training.

### External Trainings

- Assistant Managers Compliance (Region-I & II) received an online training on “AML Updates and Strategies” organized by the NIBAF on 30<sup>th</sup> April.
- Area Managers (Area-1, 3, 7, 8, 9) received an online training on “Techniques to Increase Sales Volume of Microfinance” organized by the SBP on 6<sup>th</sup> – 7<sup>th</sup> May.
- Chief Internal Audit, Senior Manager Sharia & SAM, Deputy Manager Finance Payroll, Deputy Manager Risk, Assistant Managers Risk (Region-2 & 3) received a 5-days online training on “Fundamentals of Islamic Banking Operations” organized by NIBAF from 24<sup>th</sup> – 28<sup>th</sup> May.







## 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.

- CEO, CFO, and Senior Manager Compliance of DSP met Mr. Asif Sindhu and Mr. Qazi Muqtadir, (board members of Damen Microfinance Bank) on 16th-17th June in Karachi to update them regarding the transformation process.



## 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 is 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.