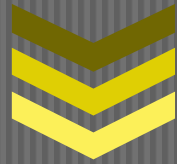


مضبوط عورت - مضبوط معاشرہ



Quarterly Activity Report



By

**Human & Institutional Development
Section (HID)**



DAMEN Support Programme
26-C Nawab Town Raiwind Road Lahore.
Phone: 042-35310571-2, Fax: 042-35310473,
URL: www.damensp.com
E-mail: info@damen-pk.org

Written By

Aisha Almass – Research & Documentation Officer

Edited By

Rukhshanda Riaz – Manager Human & Institutional Development (HID)

Table of Contents

Transformation of Damen’s Microfinance Programme into DSP	3
Operational Enactments.....	3
Active Clients.....	3
New Clients	4
Repeat Clients.....	4
Amount Disbursed.....	4
Outstanding Loan Portfolio (OLP)	5
Portfolio at risk ratio (PAR).....	5
Sectoral Distribution of Loans	6
Clients’ Life Insurance	6
Summary Credit Activities	7
Training & Capacity Building.....	8
Staff Trainings	8
Community Trainings	9
External Staff Trainings	11
Networking & Linkages	12
Annual Function & Women’s Rights Day Celebrations	13
Constraints & Challenges	15
Existing Gaps	15
Lessons learnt	15
Success Stories	15
Rubab Bibi – A beacon of light for others	15
Meena Bibi – Arising from glitches	16
Perveen Bibi – Struggling for Survival	16
Taj Bibi – Fluctuating the destiny	17

Transformation of Damen's Microfinance Programme into DSP

The most important development during the first quarter was the spinning-off DAMEN's microfinance operations into a new legal entity by the name of Damen Support Programme (DSP) which has been registered with Securities and Exchange Commission of Pakistan under section 42 of Companies Ordinance 1984 as a not-for-profit entity. The prime motivations for spinning-off the microfinance activity are to have better focus on a core activity of financial inclusion, to create synergies with its social sector programs, bring in more donors & investors and to have greater access to funds from commercial banks.

Operational Enactments

Development Support programme (DSP) is actively working to provide financial services to low-income females or to those who do not have access to typical banking services. The main purpose of providing these services is to make the low-income but skilled females capable of lifting themselves out of poverty by starting the own business. Currently DSP is operational in districts Lahore, Kasur, Sheikhpura, and Nankana.

Active Clients

At the end of March 2015, DSP's active clients were 40,970 compared with 38,063 clients in the previous quarter showing an increase of 2,907 active clients.

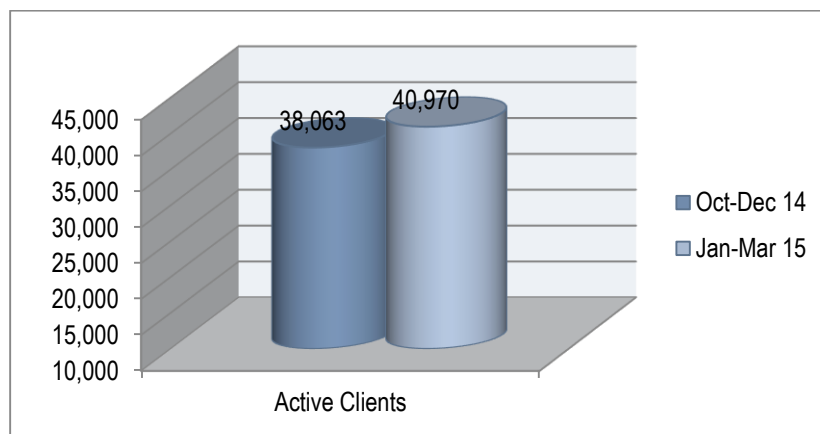


Figure 1: Comparison of Active Clients

New Clients

4,753 loans were disbursed to new clients in this quarter compared to 4,346 new loans in the previous quarter. Total 407 new clients were greater than the previous quarter.

Repeat Clients

5,277 loans were repeated during the reporting period while 5,322 clients were repeated during the previous quarter. There was a decrease of 45 repeated clients during this quarter.

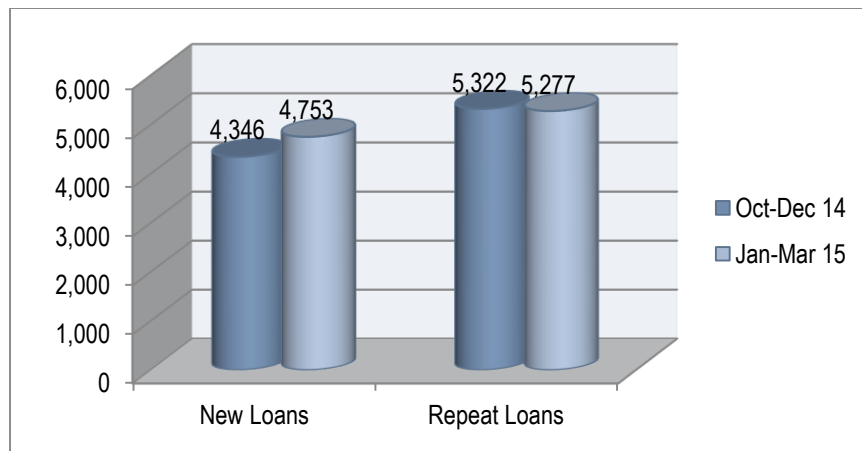


Figure 2: Comparison of New and Repeat Loans

Amount Disbursed

During the reporting period total amount of Rs.435,165,000 has been disbursed compared to Rs. 424,475,000 during the previous quarter. Thus amount disbursed during this quarter was Rs.10, 690,000 larger than the previous quarter.

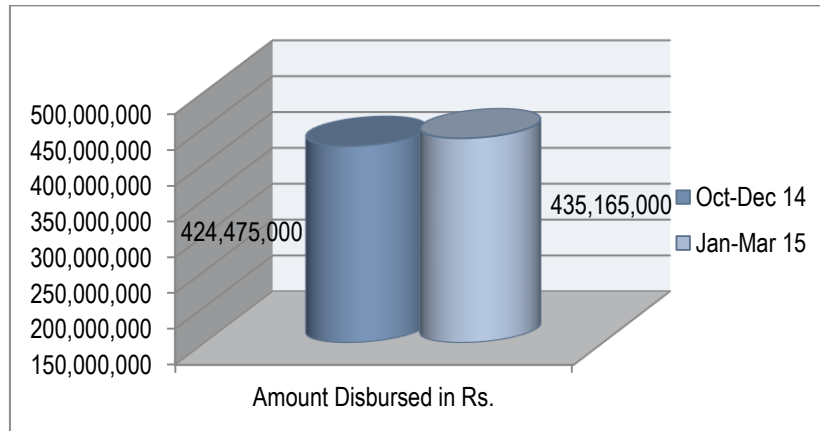


Figure 3: Comparison of Disbursed Amount

Outstanding Loan Portfolio (OLP)

Outstanding loan portfolio (OLP) by the end of Oct-Dec was Rs.1,003,159,929 raised up to Rs.1,090,278,773 by the end of March 2015 making a difference of approximately eighty seven million.

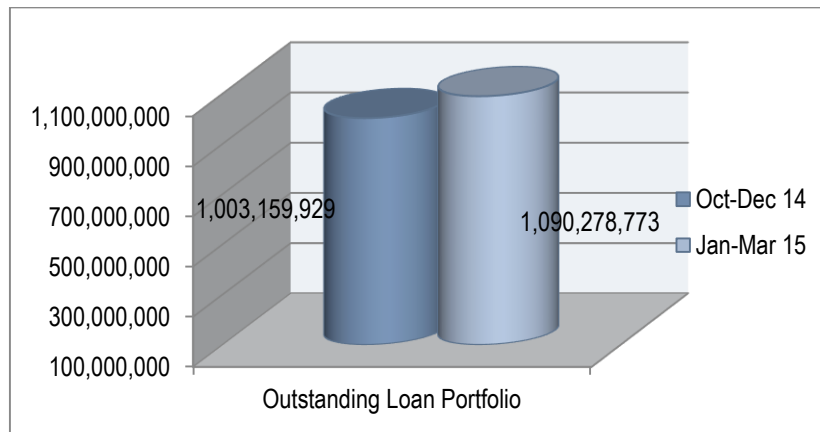


Figure 4: Comparison Outstanding Loan Portfolio

Portfolio at Risk Ratio (PAR)

During the quarter DSP's PAR>30 was 0.93% (as on 31st March, 2015) compared to 0.78% by the end of December 2014 showing 0.15% increase in the portfolio at risk.

Sectoral Distribution of Loan

56% of total loans were disbursed in trade & business, 23% for livestock, 16% for tailoring and remaining 5% loans were disbursed for handicrafts and embroidery. The ratio of trade & business is higher as compared to other categories.

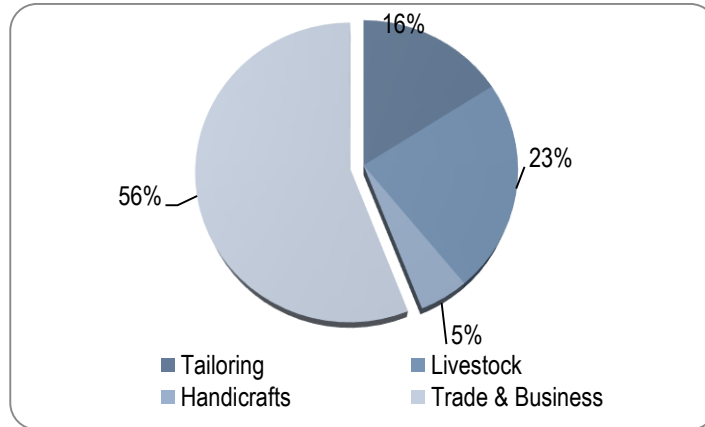


Figure 5: Sectoral Distribution of Loans

Clients' Life Insurance

During said quarter total 10,030 clients and their spouses were insured under the Client's Life Insurance policy.

Summary of Microfinance Operations
Period: 01/Jan/2015 to 31/Mar/2015

IndNum	Indicator	Area1	Area2	Area3	Area4	Area5	PL_Total
100	OUTREACH (Numbers)						
101	A. Active Clients (Opening)	8,790	9,210	9,207	8,302	2,554	38,063
102	Groups Formed	406	373	334	370	462	1,945
103	B. Loans Disbursed New	569	493	577	905	2,209	4,753
104	Loans Disbursed Repeat	1,327	1,387	1,373	1,187	3	5,277
105	Loans Disbursed Total	1,896	1,880	1,950	2,092	2,212	10,030
106	Loans Closed	1,587	1,783	1,957	1,841	4	7,172
107	Loans Written-Off						
108	Loans Closed - Write Off	10	1	5	33		49
109	Installments Received	26,053	27,740	27,661	24,093	9,898	115,445
115	C. Active Clients (Closing)	9,109	9,308	9,205	8,586	4,762	40,970
200	FINANCIAL (PKR)						
201	D. OLP (Opening)	249,340,559	246,783,818	233,359,755	199,702,977	73,972,820	1,003,159,929
202	Amount Disbursed Rs.	89,855,000	90,180,000	89,475,000	89,930,000	75,725,000	435,165,000
203	Loan Processing Fee (LPF)	2,695,650	2,705,400	2,684,250	2,697,900	2,271,750	13,054,950
204	Early Close Fee (ECF)	91,050	41,100	21,750	25,650	300	179,850
205	Amount Recovered	99,134,670	101,843,375	99,675,895	99,193,549	33,818,726	433,666,215
206	Principle Recovered	78,341,282	80,768,848	79,836,120	82,776,069	26,483,809	348,206,128
207	Service Charges Recovered	20,793,388	21,074,527	19,839,775	16,417,480	7,334,917	85,460,087
208	Amount Written Off						
209	Principal Recovered - Write Off	19,841	2,138	19,588	118,405		159,972
210	S.C Recovered - Write Off	14,407	2,525	17,064	69,266		103,262
215	E. OLP (Closing)	260,874,118	256,197,108	243,018,223	206,975,313	123,214,011	1,090,278,773
300	PERFORMANCE						
301	PAR > 30 Days (No. of Loans)	351	75	19	513		958
302	PAR > 30 Days (Amount)	5,087,351	981,827	458,276	3,649,891		10,177,345
303	PAR > 30 Days (%)	1.95	0.38	0.18	1.76	0.00	0.93
306	Average GLP *	255,107,339	251,490,463	238,188,989	203,339,145	98,593,416	1,046,719,351
307	Financial Revenue from GLP	23,489,038	23,779,927	22,524,025	19,115,380	9,606,667	98,515,037
308	Yield on GLP (%)	9.20	9.45	9.45	9.40	9.74	9.41
309	Average Loan Size	47,392	47,968	45,885	42,988	34,234	43,386
310	Average Loan Balance	28,639	27,524	26,401	24,106	25,874	26,612
311	Retention Rate (%) **	97.16	95.72	93.72	92.52	99.97	95.16

Note: Data represents the status of microfinance as on 4th April 2015.

Trainings & Capacity Building

Capacity is basically 'the ability of individuals, institutions, and societies to perform functions, solve problems and set and achieve objectives in a sustainable manner' and building the capacity of all staff and community members is an essential part of all development organizations. Different organizations use different tools to build the capacity of their staff but training is the most common tool used for the purpose. DSP also aims at increasing the capacity of its staff and community members for effectively manage diverse programs and achieving better results. For the purpose it conducts a number of training workshops for its staff and communities.

Staff Trainings

During the quarter following trainings were conducted for DSP staff members



Staff Trainings	
Plan	Achievements
Five Trainings on Credit appraisal Techniques and Cash Flow	-Completed-
Orientation of Staff	-Completed-

- **Training on Appraisal Techniques and Cash Flow**

Training on “Appraisal Techniques and Cash Flow” was organized for the loan officers (Los) and Junior Professionals (JPs) in all the five areas (5th-6th January in Area 2, 2nd February in Area 3, 3rd-4th February in Area 1, 2nd-3rd March in Area 4 and 26th-27th March in Area 5). The training enhanced the knowledge of the participants

regarding microfinance, microcredit, appraisal, credit appraisal, need to appraise the client, major types of credit appraisal and major channels in credit appraisal, difference between bank appraisal and MFI

appraisal, key areas of credit appraisal, ensuring borrowers' satisfaction and cash flow. Total 100 participants (18 from Area 2, 20 from Area 3, 20 from Area 1, 22 from Area 4 and 20 from Area 5) were benefited from the trainings.

- **Orientation of New Field Staff**

Three orientations were organized for newly hired field staff during the reporting period. The orientations briefed the participants (JPS, LOs and AOs) 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. Here is the detail of these orientations.

- First orientation was given to one JP on 2nd January, 2015.
- Second orientation was given to four JPs on 19th January, 2015.
- Third orientation was given to 3 JPs on 25th February, 2015.
- Fourth orientation was given to one Accounts Officer on 18th March, 2015.
- Fifth orientation was given to one Accounts Officer on 12th March, 2015.

Community Trainings

Damen Support Programme (DSP) organized ten community trainings to empower the women of backward areas belonging to poor financial background. These training are given to the females who want to share their familial burden but have neither financial resources nor any skill required for the purpose. Trainings are planned after the need assessment in particular areas.

Community Trainings	
Plan	Achievement
Five Skill Development Course on Tailoring	-Completed-
Five Skill Development Course on Beautician	-Completed-

- ***Training Workshops on Tailoring***

Five training workshops on stitching skills were organized from 17th February-23rd March, 2015 in Manga for 20 participants, from 23rd February-30th March, 2015 in Pattoki for 17 participants, from 19th February-25th March, 2015 for 15 participants in Shahkot, from 2nd March-30th March, 2015 for 21 participants in Ali Razabad and from 23rd February-30th March, 2015 for 11 participants in Sharqpur. These trainings imparted the skills of stitching including cutting, stitching and designing the dresses in different styles.



- ***Training Workshops on Beautician***

Five training workshops on beautician skills were organized from 19th February-25th March, 2015 for 13 participants in Chung, from 23rd February-30th March, 2015 for 17 participants in Habibabad, from 19th February-25th March, 2015 for 20 participants in Nankana, from 25th February-30th March, 2015 for 15



participants in Halloki and from 23rd February-30th March, 2015 for 21 participants in Dhamke.

External Staff Trainings

During the quarter following opportunities were being provided for staff capacity building.

- Mr. Muhammad Suleman from Area 1, Mr. Akhtar Abbas from Area 2, Mr. Nazim Hussain from Area 3, Ms. Nasira Sarwer from Area 4 and Ms. Farzana Yasmeen from Area 5 attended the 5-day training on “Microfinance at Grass Roots Level” from 26th to 30th January, 2015 organized by State Bank of Pakistan. Main objective of the training was to scale up the knowledge and skills of the existing staff on microfinance spectrum.
- Ms. Riffat Shaheen (Senior Training Officer), Mr. Zohaib Younas (Area Manager), Rizwan Siddique (Area Coordinator) attended two days Conference on Islamic Microfinance organized by Al-Huda Cibe with the collaboration of Islamic Microfinance from 21st-22nd March, 2015. The training was followed by the exposure visit of two Microfinance Organizations (Akhuwat and Naymet).

Networking & Linkages

Networking plays a vital role in the development of any organization. Microfinance organizations use networking as a way to gain new clients and make a sustainable development. This importance of networking enforces DSP to create new linkages and networking at the local and regional level for creating better relationship with other organizations and institutions.

- Dr. Elizabeth Wallace and Heidi Sumser, Consultants KFW, visited DSP office, on 27th March, 2015, to have a meeting with Ms. Naghma Rasheed (ED/CEO DSP) and Mr. Pervaiz Hamid (COO DSP) for their research on feasibility of adopting and funding the IDCOL model for a RE/solar home systems program through PPAF, POs, and other institutions (including the private sector) in Pakistan as the final part of an on-going SME study for kfw.
- Mr. Pervaiz Hamid (COO DSP) and Ms. Rukhshanda Riaz (Manager HID) participated in the “Celebrations of International Women’s Day 2015” by Kashf Foundation and Asian Development Bank (ADB) on 12th March, 2015.
- Ms. Rukhshanda Riaz (Manager HID) attended the seminar on “Role of Microfinance & Enterprise in the Empowerment of Women” organized by Pakistan Microfinance Network (PMFN) and Mir Khalil-Ur-Rehman Memorial Society on 7th March, 2015.
- Ms. Rukhshana Riaz (Manager HID) participated in the “International Women’s Day Celebration” by Central Welfare Organization on 10th March, 2015.

Annual Function & Women Rights Day Celebration



Damen Support Programme in collaboration with Damen celebrated Annual Function and Women Rights Day on 9th March, 2015 at Pakistan Institute of Language, Art & Culture (Alhambra Cultural Complex Qaddafi Stadium, Lahore). Nearly 250 people including field & head office staff, board members, civil society organizations and media persons were invited in the event. A documentary on “One Billion Rising Campaign” was presented before the audience.

One Billion Rising is the biggest mass action to end violence against women in human history. The campaign, launched on Valentine’s Day 2012, began as a call to action based on the staggering statistic that 1 in 3 women on the planet will be beaten or raped during her lifetime. With the world population at 7 billion, this adds up to more than ONE BILLION WOMEN AND GIRLS. On 14 February 2013, people across the world came together to express their outrage, strike, dance, and RISE in defiance of the injustices women suffer, demanding an end at last to violence against women. Last year, on 14 February 2014, One Billion Rising for Justice focused on the issue of justice for all survivors of gender violence, and highlighted the impunity that lives at the intersection of poverty, racism, war, the plunder of the environment, capitalism, imperialism, and patriarchy. Events took place in 200 countries, where women, men, and youth came together to Rise, Release, and Dance outside of court houses, police stations, government offices, school administration buildings, work places, sites of environmental injustice, military courts, embassies, places of worship, homes, or simply public gathering places where women deserve to feel safe but too often do not. The documentary focuses on the voice raised by women rights activists from all over the world, protesting in different ways.

After documentary a performance on the song “mein aisi qoum sa houn jis k who bachon sa darta hai” was given by students of Damen home schools to pay tribute to the shuhdaa-e-Peshawar. During the programme prizes were distributed among Damen’s best clients, home schools’ teachers and the children who performed in the skit while shields were distributed among the staff showing good performance around the year.

Constraints and 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.

Success Stories

Rubab Bibi - A beacon of light for others

Forty five year old Rubab, a resident of Lahore Johar Town, was very satisfied of her life before her marriage. She was a Lady Health Visitor (LHV) diploma holder and was doing job in Iqra Hospital (near Jinnah Hospital). She could not continue her job after marriage as her in-laws and husband were not in favor of it. The time was passing on smoothly and favorably but one day after five months the situation was suddenly changed when Rubab's husband entered home in drunken condition and started abusing her. It was the beginning of Rubab's misadventure, later on it became a routine matter for her husband to drink and abuse her. Initially he squandered his saving in debauchery and afterwards started torturing her for money. Rubab used to fulfil his demands by selling her jewelry and borrowing from relatives. One of the relatives of Rubab suggested her to send her husband in Muskat to win him back from evil. She did so in the hope of good days but all her hopes were diminished when she received a call about her husband's accident in Muscat. At that time she immediately arranged four lac rupees from her relatives to send in Muscat for her husband's treatment. But just after fifteen days of the incident her husband was back with no injury. Then she realized that her husband had juggled with her. Just after a few days he again started teasing her but she tolerated all for her daughter. When water crossed over her head her well-wishers suggested her to demand divorce from her husband. On her demand her husband unwantedly divorced her but refused to pay her loan.

Now Rubab had to face more acrimonies of life as she had no source of earning while people were demanding their loans. Rubab started stitching to overcome the crisis but her earning was not sufficient to meet her requirements. Then Rubab on the advice of a community female applied for loan from DAMEN. From the first disbursement she bought some raw material and did her own designing. She also did door to door marketing of her production (in the areas of Johar Town and Faisal Town) by herself. In the beginning she faced difficulty in motivating customers to purchase her designs but she didn't leave the courage and continued her efforts. In the result of her efforts she earned profit and started saving, here DAMEN's training on Maali Bachhat helped her in increasing her business.

At present Rubab has two sale points and one factory unit where four workers and one master prepare designs according to her instructions while nearly 30 females in Multan do hand embroidery, crochet and applique work for her. Rubab says, "In the beginning people used to get the advantage of my unawareness

from marketing skills by misguiding me but now I can easily deal them". Rubab is fully confident of getting a contract from Dubai within this year.

Rubab is now quite satisfied of her work as she is earning Rs.60,000 - Rs.70,000 monthly and is capable of successfully managing the health & education expanses of her daughter and a brother, as her two unmarried sisters and a younger brother are also her responsibility after the death of her father. Talking about the future strategy Rubab said, "I want to get name and fame regarding my work and for the purpose I desire to organize a fashion show."

Meena Bibi - Arising from glitches

Meena Bibi is the resident of Nizam Pura (Begum Kot) and mother of eight (six sons & two daughters). Her husband is a guard and his income is not sufficient to meet the basic needs of their family. Meena wanted to do something for her family but had no resources. Nearly eight year before she decided to purchase two kanals of agricultural land to cultivate flowers but the amount she had was not enough for the purpose. One of Meena's relative told her about Damen Support Program (DSP). She applied for loan and loan was approved. She bought two kanals of land from the loan amount and planted rose on that piece of land. When the crop got ready they sold it in the market. It resulted in a great profit. Meena also involves her children with her who help her to look after and harvest the crop while she hires the services of 3 to 4 externals for seeding.

Meena increased her business by taking time to time loans from DSP. She has not only married her two sons and a daughter from the savings but has also bought 16 kanals of land to raise her business. Meena gives the credit of her success to DSP, "Credit for my success goes to DSP who provided me financial support whenever I needed" while discussing about her future plans she says, "I want to further expand my business by increasing the agricultural land and involving more people of the community with me".

Perveen Bibi - Struggling for survival

Perveen Bibi is the resident of Ali Raza Abad and mother of two (one son and one daughter). Her husband divorced her a few years back due to some particular reasons. It became very difficult to her to manage the home and bear the expanses of her children as she had no source of income. The situation was much apprehensive to her as she found no way to move on. In such a miserable situation a well-wisher of her advised her to utilize beautician skills for the purpose of earning. Perveen also wanted so but had no money to purchase the parlor accessories. She had once heard about Damen Support Program (DSP) from some community members. She contacted (DSP) and got the first loan of Rs.12,000. From the amount she purchased basic accessories for parlor and started dealing with customers at home. Initially she could not earn more than Rs.5,000 monthly as females of the community were not aware of her work. With the passage of time community became familiar to her work and it increased her income. After the completion of first loan Perveen took further loans to purchase more accessories and increase her set-up.

Later on Perveen shifted her business from home to a shop in the market. It further increased her income by increasing the customers' access. At this time she is earning more than Rs.30,000 monthly while her son is also supporting her by doing job. Currently she has constructed a home from her savings. Perveen says, "I want to impart the skills of beautician to my daughter to make her able to manage all situations comfortably and contentedly".

Taj Bibi - Fluctuating the destiny

Taj Bibi, the mother of five and resident of Ali Raza Abad, is running a general store in Khananpal. Taj's husband was a laborer and got off and on work. The amount he earned was not sufficient to run the business of home somehow Taj was managing the home. The situation worsened after her husband got asthma and was unable to do any hard work. Taj possessed two vacant shops, she thought about starting a general store in one of the shop. She bought some groceries from the market to sale in the shop but she could receive very few customers as she hardly had anything to offer.

One day, she happened to notice Damen support Programme's (DSP) office in Ali Raza Abad, just a few kilometers away from her house. She stepped inside and spoke to the staff about her current financial condition, Staff guided her about the procedure of taking loan. Taj received her loan a short while later and

with her first loan increased the grocery items at her shop. It increased her earning as customers have realized the convenience of having groceries delivered to them. Taj's husband also supported her in the business and they both started earning more, and consequently started investing more in their business. Once they had established a regular clientele, they started stocking up more items. With a loan they received in their next loan cycle, they bought even more merchandize, increasing their sales and profits even further.

Taj is currently saving a reasonable amount from the business and has married her three daughters and a son. Taj Bibi is very grateful to DSP for microcredit facilitation which empowered her to bear the financial burden of her family.