

Annual Report 2009



DEVELOPMENT ACTION FOR MOBILIZATION AND EMANCIPATION



Vision

DAMEN visualizes development as process of capacity building of people in order to empower them to solve their socio-economic problems through collective action and their own participation

Mission

Mission of DAMEN is to make the people of marginalized communities understand the true notion of development and build their capacity, which would enable them to organize themselves into groups for collective action leading towards self-reliance and empowerment

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DAMEN since last seventeen years, being a catalyst of change has deployed a four pronged approach comprising of non-formal education and health care services through home based education program, provision of financial assistance through microfinance program, training, capacity building, research, networking and linkages to attain long term goal of sustainable development. The synergy created by economic and social sector programs focuses on empowering the people of marginalized communities with main concentration on women and children.

In 2009 as a result of global economic crisis which not only manipulated the world economy but also adversely affected microfinance industry, we also faced the problems of loan delinquency and increase in portfolio at risk (PAR). During the year DAMEN not only continued to serve the vulnerable communities through social and economic sector initiatives but also focused on the issues of rising PAR and delinquency. After extensive consultations and support from various stakeholders the situation was controlled. Different strategies were devised and adopted to combat the situation. All along this struggle Shore Bank International-Pakistan stood as a strong partner to help us in facing these challenges and overcoming our problems.

The experiences during the year will become another milestone for us to revisit and strengthen our efforts to ameliorate the social and economic conditions of poor segment of population especially women folk thus enabling them to be the active participants in overall development efforts to alleviate poverty in Pakistan.

I would like to extend my thanks to all whose continuous support helped us in achieving our goals. My thoughts goes to our Board Of Directors, philanthropists, funding agencies, support organizations, our management team, our valuable community members and especially Pakistan Poverty Alleviation Fund (PPAF) in making DAMEN a strong and dynamic institution.

Naghma Rashid
Executive Director

Empowering the people and reducing the poverty is one of the biggest challenges in the rural areas of Pakistan, started off as a small institution in 1992, DAMEN transforms into an institution implementing multi-sectoral programs in 141 rural union councils and 681 villages of Lahore, Sheikhpura, Kasur, Okara and Nankana. The journey of DAMEN is spreading over a period of almost 17 years stands witness to the reality that the poor and the down trodden can touch the horizons of development through the formation of homogeneous community groups with similar socio economic backgrounds. One of the most imperative features of DAMEN's accomplishments is the blending of social and economic initiatives into a new integrated model for poverty alleviation. The field offices are not only extending their financial services to the clients but also taking a proactive role in the provision of educational and health facilities to the people of their communities. The synergy created by blend of social and economic sector provides DAMEN a new dimension to bring sustainable change in the social and economic status of the people in the targeted communities.

2009 was a year of continuous struggle for DAMEN, because Global economic slump greatly affected microfinance industry. To cope the decisive situation of raising portfolio at risk DAMEN took remedial measures, and adopted strategy of strapping mobilization and capacity building of staff to diminish the risks. Staff Satisfaction Survey was also conducted in order to find out reasons of staff restlessness & turnover which also highlighted the area of enhancement for the accomplishment of desired level of competence.

Institutional assessment provides a base for enhancement of organization's scope and outreach to the target communities during year 2009, Shore Bank International-Pakistan took assessment of DAMEN's current structure and the efficiency of its operations including methodologies, products, services, and made several recommendations for the enhancement of its productivity and sustainability.

A high client exit rate is a cause of concern to any microfinance program, as requirement of new clients requires additional cost and efforts. To find out the reasons of exit clients and identify measures to reduce the exit client ratio, Exit Client Survey was conducted in all field offices.

Impact assessment provides valuable feedback of different interventions. By keeping in view the importance of social impact measurement and render improved services to its beneficiaries. DAMEN is conducting beneficiary feedback survey on yearly basis to gauge the exact nature, intensity, volume and enormity change brought by the intervention (microfinance, home school education and health care program) being provided by DAMEN in its respective working areas.

During 2009, central role has been played to engross communities in the process of development through mobilization, capacity building and economic empowerment. The overall efforts have focused on creating model for poverty reduction and social uplift of marginalized communities with 100 home schools and 15 health care centers.



Highlights of Social Sector Program



Highlights of Social Sector Program

Social development is a process which results in the transformation of social structures in manner which improves the capacity of the society to fulfill its aspirations. Development implies a qualitative change in a way that society carries out its activities, such as through more progressive attitudes and behavior by the population, the adoption of more effective social organizations or more advanced technology which may have been developed elsewhere. Without social change society become stagnant and institutes become idol having no role in order to move forward for the betterment of people.

DAMEN's social sector program is based on the theme of social change and community transformation. Social sector program of DAMEN is aimed to expand and strengthen of education initiatives by providing primary education to out of school children through non-formal system and providing health services to the people by establishing health care centers.

The social sector program is benefitting the following:

- Low-income families;
- Out of school children of local community;
- Young girls (girl child) who enjoy empathetic attention during the program activities;
- Other community members.

Home School Education Program

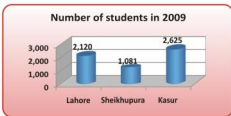
Education is the basic and most important indicator which promotes economic growth, national productivity and innovation, and values of democracy and social cohesion. Primary education plays a catalytic role for those most likely to be poor, including girls, ethnic minorities, orphans, disabled people, and rural families. By enabling larger numbers to share in the growth process, education can be the powerful tide that lifts all boats. The thinking of rural poor is not to educate the girls, because they have just hold household chores and not beyond it but investment in

girls' education yields some of the highest returns of all development investments, yielding both private and social benefits that accrue to individuals, families, and society at large. With the passage of time there is improvement and trends have change to educate the girls especially in rural area where people are more rigid and bond to their norms and values.

With this belief DAMEN's Homes School Education aims to contribute efficiently to the organization's vision making education accessible, affordable and acceptable to children of underprivileged communities through non- formal system of primary education who are out of school and do not have the opportunity to acquire education.

During the preceding year DAMEN strengthened 50 home schools in Lahore with 2,116 numbers of students, 25 in Sheikhpura having strength of 1,296 and 25 in Kasur with 2,625 students. As compared to the last year number of enrolled students was greater than before. The following table is depicting the comparison of number of students in 2009 in 100 homes schools of three areas.

The principle of true teaching is that nothing can be taught. The teacher is not an instructor or task-master; she is a helper and a guide. She does not impart knowledge to students; she shows them how to acquire knowledge. In order to be effective for teaching, it must always be a joyous process. For this purpose DAMEN organized different trainings for the teachers in order to buff up their skills.



Ambitious Woman.....Case Study of Home School Teacher

Ms. Shagufata aged 37, wife of Azmat Ullah (Govt. school teacher) tenant of village Halloki since last 15 years. She got married with the consent of her parents very soon after her matriculation. She was the visionary of dream to adopt noble profession of our beloved Prophet (PBUH) teaching and serve humanity but her circumstances did not allow her to fulfill her desire. She started teaching kids in her neighbors trying to complete her thrust of teaching.

DAMEN established a Home School in village Barkat Pura with the help of Ms. Kalsoom the only matriculate female of the village as there was no formal and non-formal educational institutions in respective village. Six years back Ms. Kalsoom had to leave the village after her marriage. It was difficult to operate school without teacher by realizing the dismal need of continuation of school when social organizer was looking for a teacher outside the village approached Ms. Shagufata and asked her to take over school. Shagufata had the wish to teach children but reluctant to accept the offer as she did not know about her husband's response. Her husband Azmat Ullah allow her to start teaching in DAMEN home School after meeting with DAMEN's staff.

After the efforts spreading over the period of six years hard work, being satisfied and happy to see glowing faces of her students. The community people and parents are thankful to DAMEN and Ms. Shagufata's efforts to enlightening the lives and futures of their children as the strength of students are 100 (from prep to class VII). The all three teachers are jointly preparing many teachers and other professionals will be come out from this village in future. Shagufata realized herself complete which is only possible with the help of DAMEN provided her opportunity as well as build her capacities and competencies to operate school successfully.

During the former year teachers training workshops were organized with the intention to build up the capacity of the home school teachers to recuperate teaching methodologies, delivery systems, better classroom management, conveyed communication skills in order to provide the learning environment in the home schools.

Multigrade teaching is often associated with schools in remote and difficult contexts dealing with rural and other disadvantaged persons, with the result that there are few resources available, given the poverty of the region in which this type of teaching is found. To educate the teachers training on **"Multigrade Teaching System"** was organized with the viewpoint to enable the participants to teach them the classroom management and sitting arrangement in multi grade teaching system. To facilitate participants to prepare different teaching aids like pocket board, string cards and mobile.

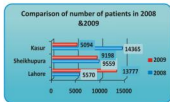
Training on **"Communication Skills"** was organized for home school teachers to enrich their information regarding different techniques of communication and how to become a good communicator and to apprise them about methods of communication with a group and effects of good & bad listening and how to improve listening abilities. The main purpose was to explain teachers' typical behaviors, their role in communication and method of giving & receiving feedback. Teachers training on **"Maths & Science"** was also organized with the purpose to enrich their information about the flaws in present method of teaching. To enable them to do the lesson planning, also inform them about the importance of teaching Maths & Science by using new methods.

Training workshop on **"Assessment Methodology"** was conducted for teachers to share with them the present examination system its weaknesses and how to introduce changes there in. The core objective was to give insight to teachers for preparing question papers on different subjects in the light of given guideline. Furthermore enhance their ability of giving effective instructions for a good teacher.

Primary Health Care Services

Health is considered to be the fundamentals for normal human life. Health facilities in rural slums are not sufficient to meet the needs of the people. People are also unaware of good health practices and hygiene. The issue is quite serious in rural areas where there is no treatment for common illness. DAMEN's health centers are providing primary health care facilities to women and children who are the underprivileged section of the society. Health program is also highlighting the importance of family planning services in birth control and other reproductive health problems.

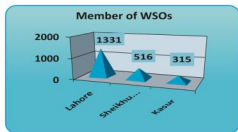
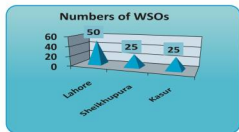
DAMEN is providing primary health care services in 15 villages of three districts i.e. Lahore Sheikhupura and Kasur. Shahpur, Chung, Niaz Baig, Maraka, Halloki, (District Lahore) Dhamke, Begum Kot, Rachna Town, Muridke and Sharaqpur (District Sheikhupura), Phool Nagar, Pattoki, Chunian, Habibabad and Jamber (District Kasur) are the 15 villages where DAMEN health centers are providing health care services. Following graphs are showing comparison the number of patients who availed the health care facility from Health Centers in 2008 & 2009.



Community Transformation

Social change is the transformation of culture and social organization/structure over time. In the modern world we are aware that society is never static and that social, political, economic and cultural changes occur constantly.

DAMEN's social sector program is playing significant role in the process of capacity development of mother committees which are known as Women Social Organizations (WSOs) by involving them in the process of development through social activism and broaden the scope of community participation in undertaking collective action. These WSOs are mobilizing women and creating awareness regarding health, education, empowerment and environmental issues for healthier life. This helps them through multiple ways and also resolves their socio-economic problems. During the year **100** WSOs were strengthened and mobilized in the operational areas and number of WSOs members reached the total of **2,162**.



Case Study of Lady Health Visitor

Margrate, aged 50, lives in the union council Chung along with her husband and three daughters. Her husband is running a general store outside of his house and his monthly income varies between Rs.3000/- to Rs.4000/- . She started her job as a lady health visitor 27 years back later she took the diploma of Medical technician and joined the rural health center. She joined the rural health center and got the opportunity to serve the community.

She started her working with DAMEN in the year 2005, as there was no lady doctor available in the evening timings and in case of emergency. She holds meetings with the community women to give them the information regarding the reproductive health especially family planning. Initially women were hesitant to come for their gynecological problems but now they realize the after effects of the problem. She as a dedicated health worker want to solve the health problems of the community women. She runs a private mini clinic at her residence but still unable to convert it in a proper clinic but she deals the emergency delivery cases over there.

She has expanded her work, as there are many patients who want to visit her in the evening or in the emergency cases. She also provides facilities to the patients of family planning and general diseases. Commenting on the socio-economic impact of her job she mentions "I am satisfied with my work and will continue it as long as possible, will always be available at the health care center of DAMEN in the evening. She has got the platform to guide the community women on the issues like health, balanced diet, advantages of breast feeding, family planning etc. She added to acquire economic independence is a great feeling as now I fulfill my needs by earning eight thousand rupees per month my elder daughter is a studying in medical college the second one is doing her BCS and youngest is in intermediate. I have attained a lot of confidence and have the opportunity to move forward in my field.

In year 2009 DAMEN enriched the aptitude of Women Social Organizations (WSOs) through organizing four training workshops on **"Development Orientation"** and 90 members of WSOs broaden their horizon through training. The core objective of this training was to endow with the concept of development and also make clear the difference between development and welfare. It enables the members of WSOs to play their role in the development of the community through the process of mobilization.

DAMEN's health care program is also building the capacities of the members of WSOs through training workshops on different topics related to the common issues of illness. Four training workshops on health were organized and 72 members of WSOs got opportunity to intensify their capacities. The key concern was to facilitate the participants to adopt precautionary and remedial measures and to provide information regarding health related issues related to mother and child health care, food nutrition, reproductive health, family planning, cleanliness, and immunization of children.

To create awareness regarding environment protection and environmental pollution, training workshops are being organized to achieve this purpose. During the year DAMEN organized 3 training workshops on environment and 42 members of WSOs availed the chance to get knowledge regarding environment. The key of this training was to enable them to work collectively for making environment neat and clean. Different types of environmental pollutions, its effects on human life, water and soil pollution and other problems were elaborated to give insight the participants how they can cope with the environmental harms they face.

To resolve the problems of community women DAMEN is providing a platform to them in form of open forum where they can share their problems and get solutions by discussion with staff members and community members.

Following were the topics which were discussed in the open forum to resolve their problems.

Sr #	Topics of open forum
1	Business trends and marketing techniques
2	Basic bookkeeping and saving
3	Situation of Health care
4	Cleanliness
5	Balance diet
6	Types of pollution
7	Importance of education
8	Importance of monthly meeting
9	Solid waste management.



Microfinance Accompanying Development



Microfinance Accompanying Development

Poverty is multi-dimensional, and by providing access to financial services, microfinance plays an important role in the fight against the many aspects of poverty. Access to credit allows poor people to take advantage of economic opportunities - for their homes, their domestic environments and their communities. For instance, income generation from a business helps not only the business activity to expand but also contributes to household income and its attendant benefits on food, security, children's education, etc. Moreover, for women who, in many contexts, are secluded from public space, transacting with formal institutions can also build confidence and empowerment.

Breaking the word "microfinance" apart gives the first clues to its meaning. "Micro," meaning small, refers to the small sums of capital that microfinance institutions rely on to help men and women around the world begin their ascent out of poverty. Microfinance institutions instead of targeting the wealthy or the middle class, they target the poor - those whom the financial sector has typically shunned. Microfinance brings the power of credit to the grassroots by way of loans to the poor, without requirement of collateral. Experience shows that microfinance can help the poor to increase income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a powerful instrument for self-empowerment by enabling the poor, especially women, to become economic agents of change.

DAMEN as catalyst of change has employed a four pronged strategy comprising of non-formal education and health care through Home School Education Program, provision of financial services through microfinance program, training and capacity building, research, networking and linkages, to attain long term goal of sustainable development and make them self-reliant in overcoming their socio-economic problems. The synergy created by Economic sector and social sector, is empowering the people of marginalized communities.

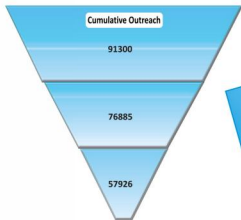
It is generally accepted that women are disproportionately represented among the world's poorest people. Latest Human Development Report reported that 70 percent of the 1.3 billion people living on less than \$2 per day are women. According to the World Bank's gender statistics database, women have a higher unemployment rate than men in virtually every country. In general, women also make up the majority of the lower paid, unorganized informal sector of most economies. These statistics are used to justify giving priority to increasing women's access to financial services on the grounds that women are relatively more disadvantaged than men. DAMEN's target groups are poor women having skills that remain unutilized or underutilized. Women who live in households own little or no

assets as a result they have no access to formal banks. Due to lack of capacity they were unable to utilize the credit optimally which results in failure of their enterprise, DAMEN has targeted them. By providing financial assistance and capacity building for self-employment, they have become empowered, self-confident and uplift their status within the household

Like other Microfinance Financial Institutions' operational in Pakistan especially in central Punjab DAMEN was also victimized by delinquency & portfolio at risk during 2009. To chalk out reasons for delinquency DAMEN's management made numerous meetings with field staff and, Technical Advisor to find out the reasons behind the field issues and devise certain strategies to overcome the problem. In this context Shore Bank International-Pakistan team was also part of brainstorming workshop with DAMEN senior and middle management to discuss the reasons of increasing PAR (PAR< 30 from 3.95% as on Dec 31st, 2008 to 5.03% as on Dec 31st, 2009) and future strategies to control it.

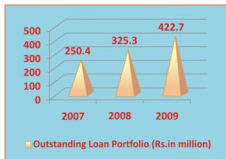
To triumph over the decisive situation of raising portfolio at risk DAMEN took several remedial measures, and adopted strategy of strapping mobilization and capacity building of staff to diminish the risks. All field offices were assessed and entire portfolio were reviewed for the identification of core reasons for raising PAR and Staff Satisfaction Survey was also conducted in order to find out reasons of staff restlessness & turnover which also highlighted the areas of enhancement for the accomplishment of desired level of competence.

DAMEN in 2009 expanded its program's outreach in existing working areas, at present working with the communities of 681 villages covered by 141 union councils of Lahore, Sheikhpura, Kasur, Okara and Nankana Sahib districts. These areas are mostly rural and peri urban. Efforts were made to expand geographical boundaries to provide loan facilities to large number of people who could enhance their living standards by utilizing it.



At the end of 2007, cumulative outreach was 57926. In 2008 cumulative outreach amplified up to 73885 whilst as by the closing of 2009 outreach was improved at 91300.

Financial Sustainability is one of the main focuses of the program along with the social and economic boost of its clients. During the year significant upgrading has been observed in the sustainability manifestation of DAMEN that has been the result of expansion during the last two years coupled with the eternal dedication of clients and the zeal of the staff to make the program a success. With improvements in the system and procedures already showing better results, centre managers and group leaders have played a vital role in identification of new borrowers and areas, social organizers have arranged training workshops/meetings with potential clients to enhance their understanding of the policies and procedures of the credit program, the countless visits made by credit officers, field managers and head office staff to verify and appraise the businesses of these women have all contributed towards the fast yet carefully planned expansion of the program.



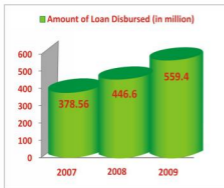
DAMEN's Outstanding Loan Portfolio (Rs.250.4million) increased as its active clients amplified at the end of 2007. In 2008 the Outstanding Loan Portfolio increased to Rs.325.3 million and it was Rs.422.7 million at the end of 2009.

Fastening her Family..... Case Study of Zubaida Bibi

Dynamic of triumph of DAMEN's microfinance program is in retrieval of loan amount within the existing borrowers, as well as magnetizing new clients, thus swelling the value of each loan in overwhelming poverty and enriching the lives of targeted people of marginalized communities Zubaida Bibi is 40 years old woman with no formal education and lives in Bholia Ghari, Shahpur (District Lahore) along with her husband and five sons and 1 daughter. Her husband is running a vendor (sell fresh vegetables on handcart).

Zubaida Bibi involved in the business of stitching clothes for the last 4 years. She was doing business before taking loan from DAMEN but not on the larger scale then she decided to take loan in order to inject strength into her enterprise. "According to her now my business is running very successfully as in the beginning I have faced many hurdles but I come out of it very smoothly." Zubaida Bibi has also employed 3 workers for her help they do their work on wages and get the payment according to their labor.

Her previous successful experience enforced her to be entered in the 2nd loan cycle of DAMEN for the further intensification of her enterprise and also purchased one embroidery machine out of that amount. At right now she has taken the loan amount of Rs.10, 000/- to strengthen her enterprise and she has the capacity to run her enterprise smoothly. "Commenting on her socio-economic status she said that my efforts have enabled me to bring lot of improvements in my life as I have recently purchased a television for my children." In near future she wants to have more loans from DAMEN to enhance and fortify her existing business.



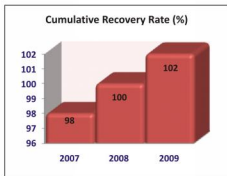
By the end of 2007 amount of loan disbursed was Rs.378.56 millions. At the end of 2008 it was Rs.446.6 million and by the closing of 2009 it amplified up to Rs.559.4 million.

Empowering the people and reducing the poverty is one of the biggest challenges in the rural areas of Pakistan, DAMEN since last sixteen years continuing on the path of magnificence for the women of marginalized communities understand the true notion of development and build their capacities, which would enable them to organize themselves into groups for collective action leading towards self-reliance and empowerment.



Chart showing more utilization of Microcredit in Trade & Business, which was 49% of the total credit amount disbursed. Input of other categories like Livestock, Handicrafts & Embroidery and Tailoring Centers were 21%, 16% and 14% respectively.

By recognizing the reality that factual potency of microfinance program lies in strapping mobilization, DAMEN puts more prominence on identification of clients, group and center formation and foresting collective confidence through trainings on policies and procedures of microfinance program and also focused on providing technical and skill trainings to its clients to enable them enhance their income generation capacities and play more productive role during forthcoming year.



In 2008 DAMEN's Cumulative Recovery Rate was 100% whereas in 2009 it was 102%.

"The future belongs to those who believe in the beauty of their dreams" (**Eleanor Roosevelt, activist**). DAMEN envisioning the dream of prosperous society by providing financial assistance and paving the path of affluence for vulnerable women of marginalized communities and committed to continue in imminent days.

Upgrading her living standards.....Case Study of Shahida Perveen

Women are the foundation of any community and if she is empowered, a family, and eventually an entire community is also empowered, DAMEN since last fifteen years empowering the women of marginalized communities and making efforts to diminish poverty through financial support to attain its long term goal of sustainable development and make them self-reliant in overcoming their socio-economic problems.

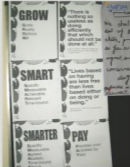
Shahida Perveen aged 38 resides in Niaz Baig (District Lahore) along with her three kids (one daughter and two sons). Her husband Ghulam Riaz, factory worker earning Rs.7500/- after thirty days gigantic efforts which jostle the whole family to make ends meet. She wanted her sons and daughter to go to school, have good food to eat and nice clothes to wear. Yet everyday she realized that as her children grew older, their needs would increase and she and her husband would have to tighten their belts even further. Due to fiscal insecurity she did Hand Embroidery & Tailoring since last 10 years to support her family.

As the Ray of hope in dejected situation Shahida Bibi heard about DAMEN from one of her relative providing financial service to deprived in their area and she applied with the proposal to start her own enterprise by installation of Embroidery machines, she got 1st loan of Rs.5, 000/- and purchased Embroidery machine and started work by taking order from nearest market which resulted in reasonable saving after meeting necessary expenses and monthly installment. After successful repayment of 1st loan she applied for 2nd and then 3rd loan for the extension of enterprise and purchased another Embroidery machine.

Shahida Bibi says that opportunities like the one given to me through DAMEN's microfinance program are godsend for a poor person. She is planning to purchase a rickshaw for her husband with the help of committee from her savings and also swell her enterprise in upcoming days.



Capacity Development



Capacity Development

Capacity development is a concept which is broader the organizational development since it includes an emphasis on the overall system, environment or context within which individuals, organizations and societies operate and interact (and not simply a single organization). (UNDP, 1998). The objective of capacity development is to enhance or more effectively utilize skills, abilities and resources. DAMEN believes that the most sustainable form of development lies in harnessing the potentials of the local human resources to face the challenges of social and economic empowerment. Furthermore strengthen understandings and relationships; and address issues of values, attitudes, motivations and conditions in order to support sustainable development.

Institutional Level

DAMEN gives great significance in building the capacity of its staff in its areas of concern. It's quite obvious that staff should equip with innovative skills and update it on regular basis as the requirement of the work. Trainings, orientations, workshops and exposure visits are conducted regularly for organization personnel by keeping in view the perspective to maximize the output of staff. During the reporting year a spectrum of opportunities were provided to the staff to gloss their capacities.

Shore Bank International institutional assessment highlighted many issues and recommendations were made on the basis of findings and refresher training was one of them. According to the recommendations refresher trainings are important to keep them updated on their assignments and any changes made to policy or processes. Keeping in view the suggestion refresher course was designed to achieve its objective **"Credit Appraisal"** was organized for social organizers and credit officers in order to recall and review the already taken training on this topic. Course contents were introduction of microfinance and credit appraisal, appraisal techniques, types, credit methodology and also review decision of credit appraisal and characteristics.

Refresher course on **"Social Mobilization"** was organized for social organizers with the viewpoint to review the importance of social mobilization, introduce a program in new area, role of social mobilizer and social mobilization and communication skills.

Shore Bank International assessment highlighted the gap which is not being followed was area mapping by social organizer to identify the borrower's residence location. Training session on area mapping was organized for the social organizer in order to make practice in their appraisal process to lower the difficulty to trace the portfolio by the new staff member in case of staff turnover.

To give insight the philosophy of portfolio management four training workshops on **"Portfolio Management"** for social organizers was organized. The purpose of the training was to analyze the causes of portfolio at risk further to review the affect of provisions, write offs and reserves and to control delinquency.

Training workshop on **"Branch Leadership and Management Skills"** was conducted for field managers with the perspective to motivate branch staff for better output, monitor staff performance using effective management tools independently, also demonstrate improved communication & listening skills for fulfilling their management responsibilities.

Pakistan Microfinance Network (PMN) has developed voluntary code of conduct for its members centered on the core values necessary for the provision of microfinance services. Microfinance Providers (MFPs) have voluntarily signed the PMN's Code of Conduct for consumer protection and also committed to institutionalizing monitoring compliance with the code within their internal and external audit functions. To achieve the objective of this consumer-centric activity training workshops on **"Code of Conduct for Consumer Protection"** were designed and organized for social organizers, credit officers, field managers and area managers. The core purpose of this training was to give orientation of core values of code of conduct to the service providers in order to protect the consumer rights to provide better financial services and its output.

Community Level

Without capacity, communities are merely collections of individuals acting without concern for the common good; they are without the necessary ingredients required to develop a healthier community. Capacity Development is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. To achieve the purpose of development DAMEN is providing technical assistance to its beneficiaries who are getting benefit through multidimensional trainings required for them according to the nature of their microenterprises.

Mobilization is a process through which community become aware of a problem; identify the problem as a high priority for community action. Four training workshops on **"Social Mobilization"** were organized for beneficiaries in order to build up their capacities how to mobilize the community. The focus of this training was to highlight the concept of self-reliance, also enable the participants to identify the reasons of their local problems and solve them through collective action.

Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably. It attracts new customers who were not interested in your current products and services. It generates repeat sales from existing customers who also want to have your new product. Micro enterprisers should have the knowledge how to upgrade their enterprises and how to add new goods in it with the day to day requirement of the customers. For this purpose training workshop was organized for borrowers on **"Marketing Techniques."** Furthermore it also enables them how they have to solve the problems faced by them for their enterprises.

Generally speaking, the process of financial management takes place at two levels. At the individual level, financial management involves tailoring expenses according to the financial resources of an individual. Individuals with surplus cash or access to funding invest their money to make up for the impact of taxation and inflation. Else, they spend it on discretionary items. They need to be able to take the financial decisions that are intended to benefit them in the long run and help them achieve their financial goals. The primary concern of financial management is the assessment rather than the techniques of financial quantification. Training workshop for borrowers was conducted on **“Financial Management”** in order to enable the borrowers to maintain their basic financial records and basic book keeping of enterprise.

Junior Professional Program (Jps)

DAMEN's junior professional program is very helpful in creating trained microfinance professional in this sector. The advantage of this program is to overcome staff turnover. In 2009 total of 10 junior professionals (JPs) and 10 junior social organizers (JSOs) were skilled. They got insight regarding microfinance program of DAMEN, its programs, policies and procedures.

Different training workshops were organized for them which are essential for the orientation of any organization in order to know how the programs are functional over there. Training workshop on **“Situational Analysis”** was planned for junior professionals with the purpose to give an insight of situational analysis. Define, identify and prioritize needs at village/ mohalla and union council level by using participatory rapid appraisal (PRA) tools. Furthermore develop tools and strategies for base line data collection and assessment and also learn about developing task responsibility framework.

Fruitful Efforts..... Case Study of Khursheed Bibi

Khursheed is resident of Bhola Ghari. She is of 32 years old and mother of three sons and one daughter. Her husband is running his own shop of cigarettes and pan. He started this shop six years back with small capital.

Khursheed heard about DAMEN from her community females. She approached DAMEN for loan of further expand the shop. She took 1st loan of Rs.5000. Her husband invested this loan amount in purchasing goods for his shop.

She successfully completed her first loan cycle. After that she applied for second loan of Rs.10,000. She utilized this amount in purchasing sewing machine to start another business of readymade garments. With this investment she increased her earning to Rs.6000. She easily completed her second loan cycle. At that time she felt that there is more capacity in her existing business so she planned to take third loan of Rs.20,000. She invested this loan amount in purchasing cloth. She is independently running her business successfully. After this investment her earning increased. She explained that it took eight years to upgrade her living standard. She pays gratitude to DAMEN in helping the poor people who are unable to take loan from banks.

Training on **“Credit Appraisal”** was structured for JPs/JSOs with the perspective to give an insight of credit appraisal, appraisal techniques and enrich their knowledge about cash flow. Another training workshop on **“Social Mobilization”** for junior professionals was organized in order to enable the participants to know the concept of social mobilization and its role in development.

External Trainings for Staff

Organizational capacity building is a system-wide, planned effort to increase organizational performance through purposeful reflection, planning, and action. In particular, capacity building looks in depth at where an organization stands in comparison to where it hopes to be in the future, and develops the skills and resources to get there. Thus organizational capacity building is synonymous with organizational learning. The ultimate goal of capacity building is to enable the organization to grow stronger in achieving its purpose and mission. For this purpose DAMEN provided multidimensional training opportunities in order to polish their skills for organizational development. Following were the trainings which were attended by the staff of DAMEN both national and international level.

Sr #	Training Title	Organized By
1	Training on Islamic Micro-Finance	Centre of Islamic Business & Economics
2	Training Workshop on Gender	Rural Support Pakistan Network (RSPN)
3	Credit Information Bureau	Pakistan Microfinance Network (PMN)
4	Microfinance Products Innovation in Challenging Time	State Bank of Pakistan
5	Training workshop on State Bank of Pakistan Microfinance Funds	State Bank of Pakistan
6	Training workshop on Improving the effectiveness of Frontline Staff (TOT)	Pakistan Microfinance Network
7	Emerging issues of Microfinance Providers in Pakistan	State Bank of Pakistan
8	Investment Fair-Paris	ACTED-Paris



Research, Networking & Linkages



Research, Networking & Linkages

To upgrade the standards of services being provided in any of the organization, it is essential to monitor and evaluate the program through assessments and survey studies. There were many changes made in evaluation and research section of DAMEN in order to maximize the efficiency of interventions and amend it according to the demands of the target community.

DAMEN is conducting **"Beneficiary Feedback Survey"** on annual basis. The main objective of the survey was to measure the level of awareness and satisfaction regarding the services being provided by DAMEN and also solicit comments and suggestions from the target beneficiaries for the improvement in services. The findings showed that there is dire need for greater loans for the improvement in microfinance program. There is vibrant demand for 24 hours timings of health care facilities in the operational areas of health care program.

During the year Shore Bank International Institutional Assessment recommended that client exit survey should conduct on a regular basis to understand the reasons of drop out and then devise appropriate measures to maintain high retention rate. Keeping in view the findings of assessment, research study on **"Client Exit Survey"** was undertaken mainly to explore the reasons of exit clients, also identify the tendency of exit clients increasing and decreasing in operational areas and on the basis of findings find remedial measures in order to reduce the exit client ratio. To assemble required information a representative sample of exit clients was taken and then in-depth interviews were conducted. The findings of the study showed that majority (50%) of the respondents were exited due to change in marital status and shifted away from area, whereas (21%) left program due to sustainability of their businesses. This survey was conducted on area wise in each quarter.

During the preceding year to update the knowledge and skills of staff training manuals were developed as per the need of the training workshops. Training Manual on Portfolio Management (both English and Urdu) for the Staff, refresher course manuals (social mobilization, credit appraisal, and situational analysis) were developed. A total of 120 case studies of outstanding clients, along with Quarterly Activity Reports, Annual Progress Report were developed on quarterly and yearly basis respectively.

Networking & Linkages

Networking and linkages are on the whole an institutional structure. They attempt to bring organizations,

groups or individuals closer to each other consciously and voluntarily in order to create a pool of resources, skills, information and knowledge, increase each member's strength and sharpen their skills in their own areas of interest mutually and furthermore empower the institutional framework.

By keeping in view above reasons the primary focus of DAMEN has always been on creating linkages and networking at the local and regional level for better collaboration with other organizations and institutions to learn, share and coordinate on issues of common concern and provide a platform for action research on various development initiatives undertaken by DAMEN at grass root level and produce manuals, reports and policy documents. To serve the purpose of networking linkages DAMEN is member of Pakistan Centre for Philanthropy (PCP), Pakistan Microfinance Network (PMN), Punjab Reproductive Health Network (PRHN), and Pakistan NGOs Coordination Council (PNCC) and Pakistan NGOs Forum (PNF). During the year exposure visits from different institutes were arranged by DAMEN for different purposes. Following were the purpose of their visit and names:

- Team of Microfinance Institution's (MFIs) from Afghanistan visited DAMEN on 5th March, 2009 for Asia Invest Project.
- Ms. Ayesha Khan, Asian Development Bank visited DAMEN on 11th & 12th May, 2009 for study on Gender Aspects of Microfinance Program.
- Mr. Tufail Rajpar, General Manager, SAFWCO, along with team visited DAMEN on 14th July, 2009 to get an exposure of organization's working.
- Mr. Abdul Sami Shami, Senior Manager Development, Adamjee Insurance along with Dr. Muhammad Sabih Zafar Khan, Assistant Manager Health, Lahore, visited DAMEN on 23rd July, 2009 for meeting with Management Staff.
- Ms. Roshane Zafar, President, KASHAF Foundation, along with Mr. Kamran Azeem, Chief Executive Officer, KASHAF Foundation, visited DAMEN on 15th Nov, 2009 for solidarity with DAMEN.
- Ms. Sara Saeed, Technology and Communication Analyst, Pakistan Microfinance Network, visited DAMEN on 4th Dec, 2009 for meeting with Executive Director. Dr. Rashid Bajwa, Chairperson, Pakistan Microfinance Network (PMN) visited DAMEN on 30th Dec, 2009 for discussion on PAR and Delinquency
- Mr. Amjad Arbab, Country Manager, Mr. Saleem Jiwani, Senior Consultant along with Ms. Hina Ghaffar, Engagement Specialist Shore Bank International, visited DAMEN on 24th Dec 2009, conducted workshop on "Managing Delinquency and Achieving Growth."
- Team from Shore Bank International visited DAMEN for organizational orientation and assessment of Microfinance program.
- Different delegates from Pakistan Poverty Alleviation Fund (PPAF) visited DAMEN with the objectives to review DAMEN's program and activities, also for audit and discussion on PRISM project.

Strategic Planning is a management tool that helps an organization focus its energy, to ensure that members of the organization are working towards the same goals, to assess and adjust the organization's direction in response to a changing environment.

DAMEN with its definite objective to explore prosperity for the people of marginalized communities is determined to continue with the following aspiration during impending year of 2010.

- Concentrate on activities for integrated, self-reliant and long term development of the communities through various programs of DAMEN.
- Enable the cause of women development by initiating programs for income generation, provision of credit and awareness of their legal and basic rights.
- Train and support human resources for devising, implementing and overseeing developments and projects.

DAMEN concentrates on the social and economic uplift of marginalized communities, especially women in rural and urban slums, by encouraging them to ascertain their own needs. This leads to build capacity and local resources to an extent that enables women of the target communities to eradicate the real and most tangible problems. During 2010, main stress will be given to capacity building of the staff which leads the organization to achieve its long term objectives enabling the people of targeted communities to empower them in order to solve their socio-economic problems through collective action and their own participation. Besides the regular training program (staff level & community level), follow up of staff trainings conducted during 2008 will also be conducted to measure the convenience and utilization of skills/training practically in field and also to discover out areas of enhancement in DAMEN's existing training program.

During 2009, to minimize the portfolio at risk (PAR) DAMEN took several initial remedial measures, as a result of consultation with field staff, senior & middle management. PPAF and Shore bank International-Pakistan was also the part of this discussion. In order to seek out the reasons of PAR Loan Monitoring Review was done initially in two field offices on pilot basis. For this purpose special independent Loan Monitoring Team was designed at head office level to monitor the entire situation. In upcoming year, loan portfolio review of remaining offices will be assessed by area managers however Loan Monitoring Team and Internal Audit will review the results of that assessment. Certain strategies will be formulated to control the risks identified in the loan monitoring assessment.

By keeping in sight competition among MFIs and growing need for financial services due to recent socio-economic set back, DAMEN is planning to conduct research study on "Impact Assessment of Social and economic empowerment of clients through DAMEN's Microfinance Program" in forthcoming year.

BOARD OF DIRECTORS/GENERAL BODY:

Mrs. Zareen Niazi	Chairperson BOD
Mr. Adnan Afaq	Treasurer BOD
Ms. Naghma Rashid	Executive Director/ Secretary to BOD
Ms. Salma Rashid	Member BOD
Ms. Ghazala Saigol	Member BOD
Mr. Asim Saeed	Member BOD
Mr. Ahsan Rashid	Member BOD
Mr. Imran K. Niazi	Member BOD
Mrs. Saweela Anees	Member BOD
Mr. Mobin Ahmed	Member General Body
Dr. Lalarukh Aftab	Member General Body
Mr. Khuroo Karamat Elley	Technical Advisor to BOD (Voluntary)

(All members of BOD except Ms.Naghma Rashid are also member of General Body)

LIST OF HEAD OFFICE STAFF:

Ms. Naghma Rashid	Executive Director
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INTERNAL AUDIT SECTION:

Mr. Saleem Mirza	Senior Manager Internal Audit
Mr. Syed Kazim Raza	Assistant Manager Internal Audit
Mr. Irfan Naem	Audit Officer

FIELD OPERATIONS SECTION:

Lt. Col * Abbas Manzoor Bukhsi	Senior Manager Field Operations
Mr. Rana Khurram Subhani	Assistant Manager Field Operations

FINANCE AND ADMINISTRATION SECTION:

Mr. Wajid Ali Khan	Manager Finance and Admin
Ms. Khadija Fareed	Assistant Manager Finance & Admin
Ms. Sarfraz Taj Din	Accounts Officer
Mr. Haroon Majeed	Accounts Officer
Mr. Khurram Bukhari	Senior Admin Officer
Mr. Syed Wasim Abid	Admin Officer
Ms. Asia Khatoun	Receptionist

IT SECTION

Mr. Hassan Tariq	Senior Manager IT
Mr. Naveed Sarfraz	Assistant Manager IT
Mr. Akbar Ali	IT Officer

HID SECTION:

Mr. Jehan Zaib	Manager HID
Ms. Noshen Irfan	Senior Training Officer
Ms. Humera Aslam	Training Officer
Ms. Kalsoom Hussain	Research & Documentation Officer
Ms. Sidra Rauf	Research & Documentation Officer
Mr. Afzal Hayat	Personnel Officer

OTHERS:

Mr. Muhammad Ramzan	Office Boy
Mr. Altaf Ahmad	Office Boy
Mr. Muhammad Fayyaz	Driver
Mr. Muhammad Ali	Driver
Mr. Syed Ali Raza	Driver
Mr. Muhammad Siddique	Driver
Mr. Shaukat Ali	Driver

Besides these DAMEN have the staff of 84 members at Area Offices Lahore, 44 staff members at area office Sheikhupura, 45 staff members at area office Kasur, and twenty Field Offices at union councils Niaz Baig, Shahpur, Chung, Maraka, Ali Razabad, Halloki, Shamke Bhattian, Raiwind, Manga, Begum Kot, Dhamke and Sharapur, Rachna Town, Muridke, Phool Nagar, Jamber, Pattoki, Habibabad and Chunian comprising of Area Managers, Networking and Linkages Officers, Field Managers, Credit Officers, Social Organizers and Drivers along with 15 LHV's looking after their health care centers and 100 home school teachers running their individual home schools.



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