

خواتین کی مضبوطی، ترقی کی ضمانت

## Quarterly Report October-December 2021

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**GM-OPERATIONS**

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# **VISION**

**SUSTAINABLE DEVELOPMENT  
THROUGH FINANCIAL  
INCLUSION**

# **MISSION**



**TAKING MEASURES FOR  
SOCIAL AND ECONOMIC  
UPLIFT OF THE MARGINALIZED,  
WITH FOCUS ON  
WOMEN, TO ENHANCE THEIR  
ECONOMIC  
PROSPERITY & SELF-RELIANCE  
THROUGH FINANCIAL  
INCLUSION & 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

## Lifetime Achievement Award for Ms. Naghma Rashid (Founder of DSP)

The Annual Microfinance Conference 2021 was held by Pakistan Microfinance Network (PMN) under the theme of 'Navigating Financial-Inclusion in the Post-Pandemic Era'. Ms. Naghma Rashid was conferred with the Lifetime Achievement Award for her valued contributions spanning over 29 years for social and economic uplift of the marginalized, with a focus on women, to enhance their economic prosperity & self-reliance through financial inclusion & capacity building.

Mr. Shaukat Tareen, Federal Minister Finance, Mr. Raza Baqir, Governor State Bank of Pakistan (SBP), Mr. Amir Khan-Chaiman Securities and Exchange Commission of Pakistan (SECP), Mr. Ghalib Nishtar-Chairperson Pakistan Microfinance Network (PMN) were also present on the occasion.



## Celebrations by Board Members and Staff of DSP on Wining Lifetime Achievement Award by Ms. Naghma Rashid

A ceremony was hosted by Board Members and all staff of DSP in the honor of Ms. Naghma Rashid to celebrate her accomplishments.



## Success Stories

### Shazia Shabbir

Since her marriage, Shazia's husband was doing the business of making plastic toys. He used to do the molding of plastic while Shazia used to join the molded parts to give the final shape of a toy. Despite working very hard they both could not earn greater because of not having their molding machine. Above all, the health of her husband was continuously destroyed due to working on nights as machines were available only at that time. Both Shazia and her husband were not satisfied with their job because they were not getting according to their efforts but had no other option. Shazia always tried to save something to purchase a machine but every time her saving was used at home.



One day while moving through a road of Begum Kot, Shazia met a crowd of females. On inquiring she was informed that they were the clients of the Damen support Programme and were gathered there to get a loan. It showed her a ray of hope and she entered into the office to have a brief about taking a loan. The very next day, after consulting her husband, she applied for a loan from DSP which was approved after completing the appraisal and documentation process. From her first advance of Rs.45,000, she purchased a second-hand machine that doubled her husband's capacity to mold plastic as before he was giving half of his labour to the owner of the machine.

Doubled profit encouraged Shazia to take another loan which she spent to purchase a loader rikshaw. It not only saved their carriage rent but also helped in earning more by supplying the molded plastic material at doorsteps of females doing labour for them. Now her husband produces a huge quantity of raw material to provide Shazia and 50 other females of the community for creating the final product. Collective efforts of both husband and wife resulted in a huge increase in their earnings. From their earnings, Shazia has purchased a 10 marlas plot to construct a hall, where she plans to establish a small unit of making toys. She is also planning to purchase more machines after taking more loans from DSP.

"Because of working during night health of my husband was continuously destroying and he could not concentrate on his work. After having our machine, he got maximum time to do work while labour, which he was giving for using the machine, was also saved. Now he takes full sleep which saves his health to destroy and earns much more than before and it all became possible because of DSP loan" Shazia gives credit to DSP.

## Shehnaz Nasir

Shahnaz had a prosperous family background and being a single descendent was the apple of her parent's eyes. But soon after the death of her father, her uncle occupied all their property and wedded her with a driver. Her husband was a nice guy and always tried to fulfill his responsibilities towards his family. But perhaps it was not the consent of Allah and he couldn't take the burden of his family for long enough. Only after a few years of their married life, a paralyzing attack left him unable to do any job. With a family of 11 members and the medical expenses of her husband, it was a very critical time for Shahnaz.

Instead of getting disheartened, Shahnaz gathered all her energies and started looking for means of the survival of her family. All her efforts resulted in getting her a job which provided great relaxation to her. But a few years later she was standing again in the same place after losing her job. This time she couldn't get any alternate job despite wasting all her energies. The situation was very alarming for Shahnaz as she also had to wed her five daughters along with providing other necessities to her family. After getting disappointed from her job search Shahnaz decided to start the business of cloth selling with little savings in her hands. In the beginning, she couldn't get a legitimate reaction as the community didn't know about her business but after some period a large number of people from her nearest as well as a little far territory started coming to her for purchasing dresses. It made her limited stock insufficient to entertain all her customers.



To fulfill the maximum cloth demand of her customers Shehnaz got a loan of Rs.45,000 from DSP and increased the stock of fabric. She got multiple loans from DSP which augmented her earnings by increasing the capacity to satisfy the needs of more customers. Shahnaz is selling not only the unstitched fabric but ready-to-wear garments are also available in her stock. She is now financially empowered not only to share some expenses of her home but also to make some savings for the wedding of her daughters. She is also planning to wed one of her daughters soon. "DSP supported me at the time when there was no other support. A few years back, after losing my job, life had been ended for us yet DSP's loan gave us hope to live and survive in that tough situation. My family and I are happy now and it is only because of DSP."

## Sobia Bano

Being a part of the joint family system Sobia's life was not easy after marriage. Her better half was a tailor and being the only son of his parents, he had to bear the whole expenses of them in his limited resources. Sobia often found her husband worried over the meager expenses of their family while the situation was worsened with the expansion in their family. Sobia didn't want her children to face the hardships that she was observing since her marriage. She always dreamed of a better life for them and for this reason decided to stand by her husband. Sobia observed that her husband's work is often delayed due to the non-availability of the person who made buttonholes in shirts. It gave her an idea to start this business. For this purpose, she took a loan of Rs.25,000 from Damen Support Programme and purchased the machine while her husband motivated other tailors of the area to come to her for buttonholes. It enabled Sobia to share some burden of her family.



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 expand her business by purchasing peeco and overlock machines from further loans of DSP. Availability of all the three facilities in one place helped her to attract maximum customers. While perfection in her hands and the good communication skills of her husband were additional factors. "I never delayed the work and always try to complete the order as soon as possible. For this quality of mine, most of the tailors and community prefer me over others doing same work" tells Sobia. From her last two advances, she has also started the business of selling cloth which has further enhanced her business.

Recently collective earning of Sobia from all her businesses is more than Rs.35,000 per month while all her children are studying in well reputed schools of the community. She has not only repaired the ground floor of her home but has also constructed the second storey building. Sobia is now living a happy and comfortable life with her family and gives DSP credit for it. "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". Sobia has recently purchased a shop and plans to give it on rent which will further enhance her family's income.

## Shameem Akhtar

Shameem Akhtar, the mother of eight, resides in Aman Pura with her family. At the time of marriage her husband was doing labour in a shoe factory and in return whatever he received couldn't fulfill the basic requirements of their family. Initially, Shameem did manage in their limited resources but with the expansion in their family, it became more difficult than before. Shameem wanted to share the burden of her husband but didn't know how to do it? While looking upon the options for the purpose she came up with the thought of making shoes at home. Her brother-in-law had his unit of shoemaking and upon Shameem's request, he started giving her work to do at home. Although the wages obtained through this labour were too meager to fulfill their whole requirements yet these were enough to provide her right direction and provoke her business instincts. Shameem desired to start her own business of shoemaking but financial resources were not available for the purpose.

Around then she knew about the micro-credit services provided by DSP. Intending to utilize these services, she visited the DSP branch in Rachna Town, where DSP staff guided her about the procedure of taking a loan. Later on, she applied for a loan that was approved after completing the whole appraisal and documentation procedure.

From the loan amount, she purchased some raw material and started her own business of shoemaking. The multiplied profit obtained through her own business encouraged her to further expand it and for this purpose, she utilized a total of six loans from DSP. DSP's loan not only opened the doors for money to come in and increased the financial stability but also empowered Shameem to bear the maximum



expenses of her family. "I am very thankful to DSP for trusting me at the time when no other person was willing to lend me only 10 rupees. DSP's trust gave me business confidence as well as helped in getting financial empowerment" tells Shameem.

Shameem's husband has also joined her business after leaving his job while her eldest son also helps her in the business. From the profit obtained through this business, she constructed a five marlas home of herself as well as wedded her three elder children. Shameem has regret for not providing education to her elder children and is trying to dwindle it by sending three younger ones to school.

## Tahira Manzoor

Tahira Manzoor and her family live in Aman Pura. Having a small poultry shop, Tahira's husband was unable to provide the necessities to their family and they often had to remain without a meal. In these critical circumstances growing ages of their children, especially daughters, kept always worried to Tahira about their marriage. One of Tahira's community females was doing the business of applying stones on fancy cloth for some boutiques in Shah Alam and Rang Mahal Markets. Upon Tahira's request, she started giving her the work of applying stones on daily wages. Although Tahira started making some earnings through this work yet it was not satisfactory. She wanted to



earn more while her previous source was also finished after her employer female refused to pay her for her services on monthly basis. Instead, she asked her to get her wages after six months.

Tahira often thought about starting her own business but resources were not available for the purpose. Instead of making it her weakness, she started saving some money every month. After having a reasonable amount, she purchased some raw material while her husband helped her not only in getting the work orders from the market but also in purchasing the raw material and supplying the final product to the relevant boutiques. Multiplied income from this business where provided some relief to her there also encouraged her to further expand it.

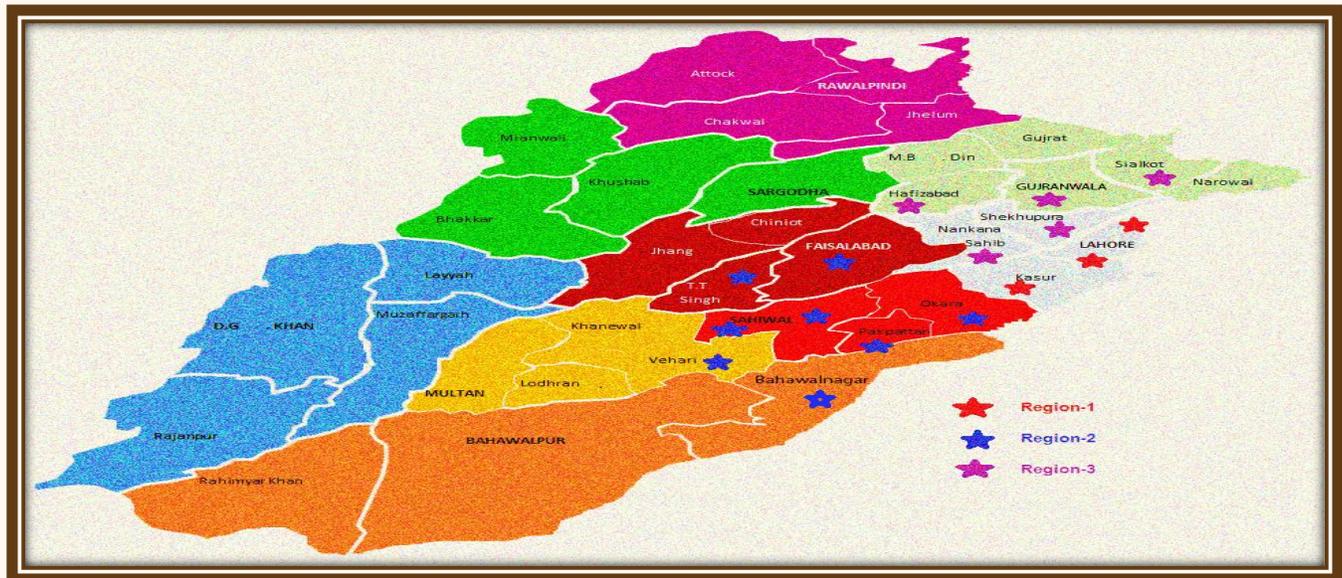
Nearly seven years before, Tahira caught wind of microloans given by DSP from one of her community females. To avail of these services, she visited DSP Branch in Rachna Town where DSP staff briefed her about policies and procedures for getting the advance. After getting briefed she applied for an advance and, opposite to her expectations, it was approved after a detailed analysis of her business. From the credit sum of PKR.30,000, she expanded her business. Tahira's first experience with DSP was so good that she received a total of six loans from DSP after completing the previous one. Recently Tahira's business is well flourished. She is earning a handsome amount from her business which she is utilizing not only to do the major expenses of her home but also to collect dowry items for her daughters. Tahira has also purchased a Qingqi Rickshaw for the carriage of the raw and final products.

Tahira has also opened the doors of employment for 60 more females who work for her on daily wages. "At this time nearly 60 females are working with me and I always try to give their wages before their demand because I don't want anyone to leave this job after getting fed up. I have a desire to see them financially empowered" briefs Tahira.

## 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, Shekhupura, Nankana Sahib, Okara, Faisalabad, Gujranwala, Hafizabad, Sahiwal, Pakpattan, Toba Tek Singh, Sialkot, Vehari, and Bahawalnagar districts while five more branches in Khanewal and Lodhran districts are under process.

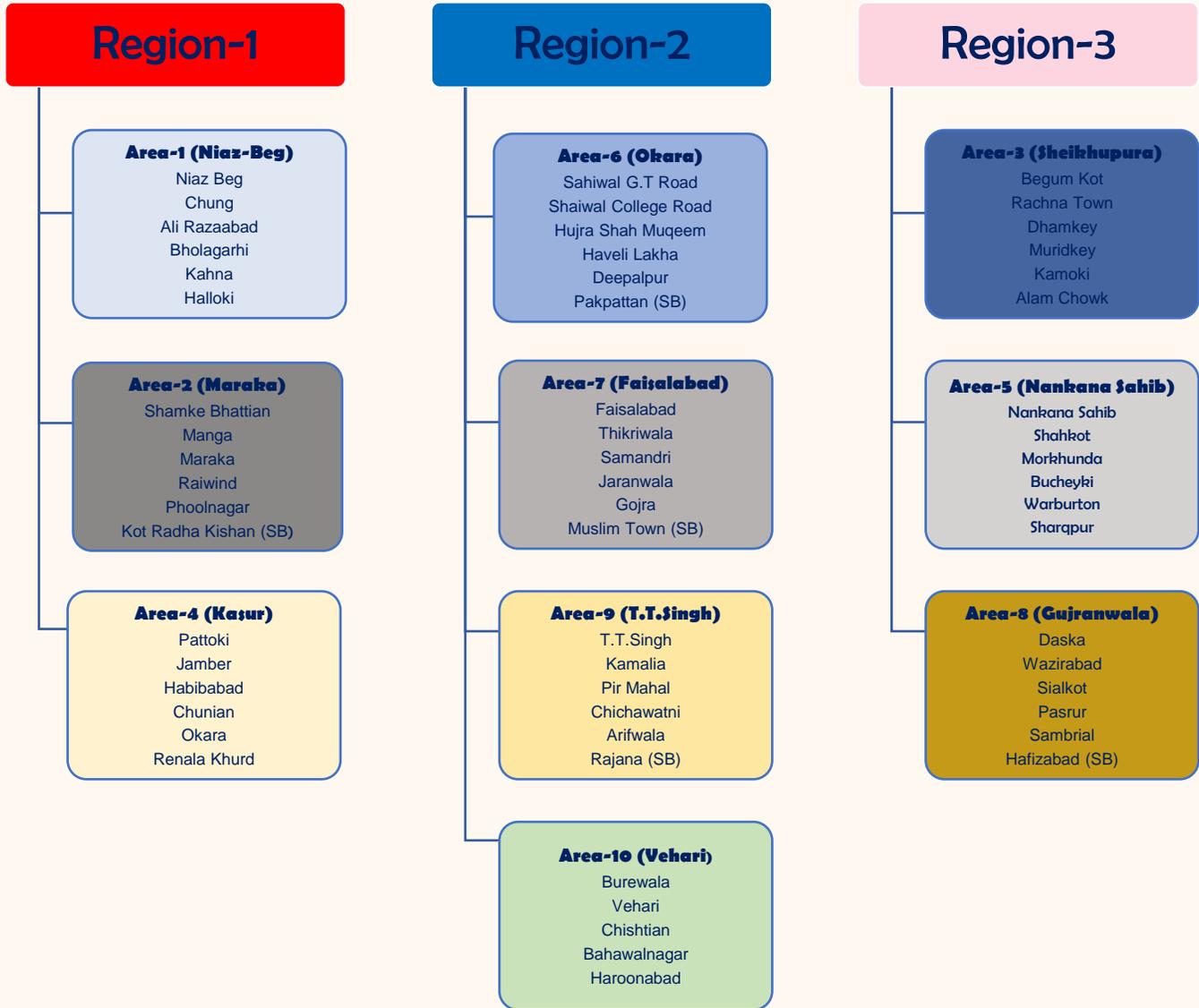
### Geographical Existence of DSP



## Outreach

Till the end of the reporting period, a total of 54 branches of conventional microfinance were working in 9 areas i.e Lahore-I (Area-1), Lahore-II (Area-2), Shekhupura (Area-3), Kasur (Area-4), Nankana (Area-5), Okara, Sahiwal, & Pakpattan (Area-6), Faisalabad (Area-7), Gujranwala, Sialkot & Hafizabad (Area-8) Toba Tek Singh (Area-9), and Vehari, Bahawalnagar (Area-10), 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). Other than the total of 59 functional branches 5 new branches are in the process of starting operations in Khanewal and Lodhran districts.

## Region-Wise Segregation of Branches



## Active Clients

Total number of active clients has been increased from 119,951 to 124,967 reflecting a 4.2% increase in its clients' portfolio. Maximum (8%) increase in clients' portfolio was observed in Area-7, followed by 7.4% increase in Area-6, 5.3% increase in Area-9, 5.14% increase in area-8, 2.8% increase in Area-1, 1.42% increase in Area-3, 0.96% increase in Area-5 and 0.78% increase in Area-2. Only Area-4 shows a minor decrease of 0.05% in its clients' portfolio.



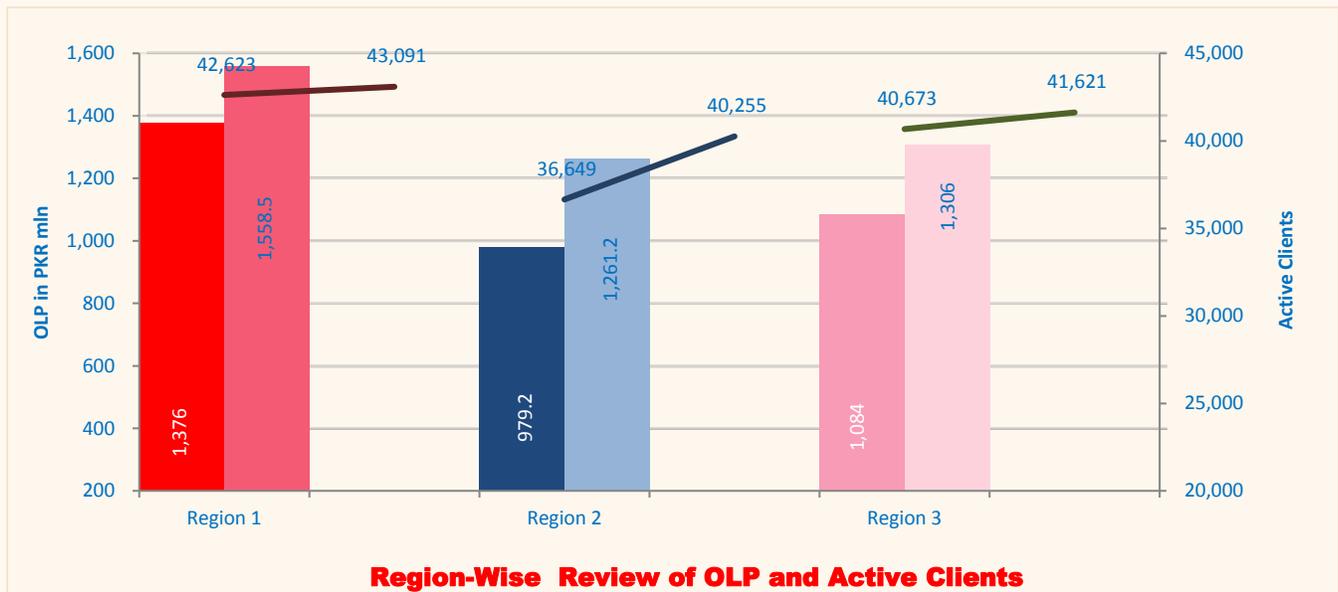
## Outstanding Loan Portfolio (OLP)

Outstanding Loan Portfolio of DSP was increased from 3,441,758,332 to 4,135,518,448 reflecting 20% increase in it. Maximum (25.4%) increase in OLP was observed in Area-8, followed by 24.6% increase in Area-7, 23% increase in Area-6, 22.5% increase in area-9, 20.5% increase in Area-3, 17.4% increase in Area-5, 14.4% increase in Area-2, 13.7% increase in Area-1, and 11.8% increase in Area-4.



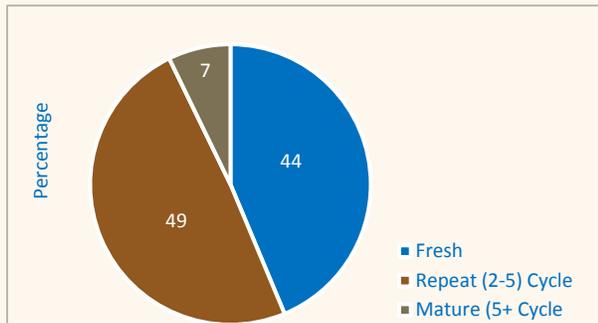
## Region-Wise Review of Active Clients and OLP

A region-wise analysis represents a maximum 9.8% increase in clients' portfolio of Region-2, followed by a 2.3% increase in Region-3 and a 1.1% increase in Region-1. Similar was the situation of OLP with a 29% increase in Region-2, 20.5% increase in Region-3, and 13.2% increase in Region-1. Reasons for the greater increase in clients' portfolio and OLP of Region-2 can be attributed to the opening of new branches in said region.



## Division of Clients Regarding Loan Cycle

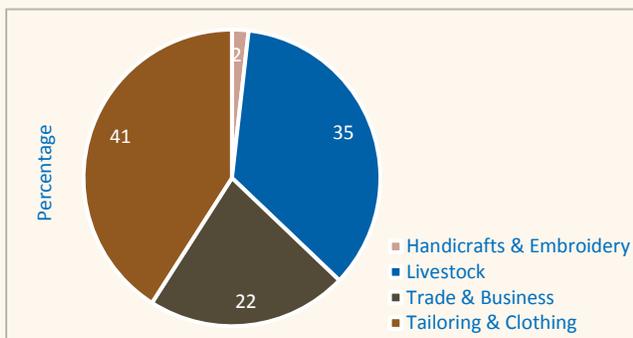
DSP aims to establish long-term relations with its clients. This is evident from the LTS data which shows that despite opening new branches, only 44% of its active clients have new accounts while the remaining 56% reflect a strong and long-term relationship with them. 7% of these mature clients have a 5 year + relationship with DSP.



**Segregation of Clients Regarding Loan Cycle**

## Business Categorization of Loans

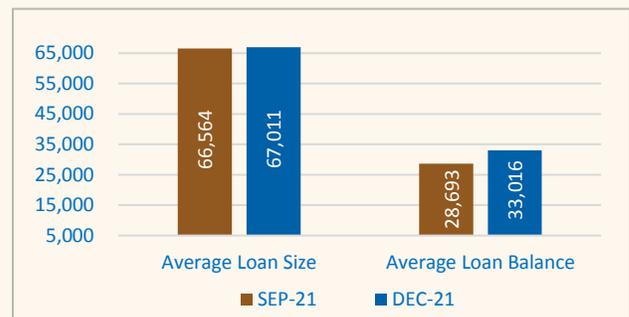
The majority (41%) of DSP clients is related to tailoring & clothing, followed by livestock (35%), trade & business (22%), and handicrafts & embroidery (2%).



**Business Categorization of Loans**

## Average Loan Size & Balance

The average loan size of DSP increased from 66,564 (by the end of the previous quarter) to 67,011 (by the end of the reporting quarter). Similarly, the average loan balance is increased from 28,693 (by the end of the previous quarter) to 33,016 (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 9.62%.

## 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. During the reporting period, this cell received a total of 113 complaints, out of which 105 were resolved while the other 8 unresolved are health and death claims dependent on the insurance company.

## Miscellaneous

### CEO-DSP Shared Views about the Interplay of Interest-Free Loans & Sustainable Islamic Microfinance in the Annual Conference by PMN

Pakistan Microfinance Network arranged an Annual Conference having the theme of “Navigating Financial Inclusion in The Post Pandemic Era”. Mr. Msharraf Mahmood khan was invited to speak in the Plenary Session 6 of the Annual Conference. During the session, he shared his views about the interplay of interest-free loans and sustainable Islamic microfinance.



## Coffee with CEO

Employee motivation is defined as the enthusiasm, energy level, commitment, and amount of creativity that an employee brings to the organization on a daily basis. A well-motivated staff can be more effective in achieving the organization's desired goals and results. DSP always focuses on boosting the motivational level of its Staff and undertakes different activities in this regard. Coffee with CEO is one of the initiatives taken by management that would help encourage as well as provoke staff to work more heartedly and become more determined to fulfill their responsibilities. The first opportunity to have a cup of coffee was provided to the high achievers of Operations and SAM Departments on 2nd December at Royal Hotel Lahore.



## Cricket Tournament among the Staff of Region-1

To promote healthy activities among staff DSP organized a cricket tournament among the staff of region-1, on 7th November. The benefits expected from this kind of activity include increased work performance and team cohesion among the staff".



## 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.

### Training on MIS and Compliance Management

To equip the newly hired staff of Area-10 with the skills to better use the Management Information system (MIS) of DSP and enhance their abilities regarding compliance, the Human Resource Department in collaboration with Information Technology and Compliance Sections organized training on "MIS and Compliance Management". A total of 14 staff members including Area Managers, Field Managers, Accounts Officers, Loan Officers, and Appraisal Officers were benefitted from this training held on 4th October in Vehari Field Office.

### Induction Training Programme

The Human Resource Department in collaboration with all other departments at Head Office arranged four "3-Day Induction Training Programmes" for the new staff of all the three regions. All Section Heads briefed the participants about their relevant fields to equip them with the tools and strategies to better perform in the field environment.

### **Detail of Induction Training Programmes**

Sr.#	Date	Organized for the Staff of	Nature of Participants	Number of Participants
1	4 <sup>th</sup> to 6 <sup>th</sup> October	Region-1, 2, 3	LOs	17
2	11 <sup>th</sup> to 13 <sup>th</sup> October	Region-1, 2, 3	LOs, AOs	16
3	2 <sup>nd</sup> to 4 <sup>th</sup> November	Region-1, 2, 3	FMs, LOs, Apr.O, SO	17
4	15 <sup>th</sup> to 17 <sup>th</sup> November	Region-2	FMs, LOs	12
	<b>Total</b>			<b>62</b>

### **Training on Cashflow Analysis, AML/CFT & Customer Risk Profiling**

Human Resource Department in collaboration with Operations, Risk and Compliance Sections organized training on “Cashflow Analysis, AML/CFT & Customer Risk Profiling” at Head Office on 20<sup>th</sup> October. A total of 18 staff members including Assistant Manager Risk, Area Risk Officer and Area appraisal Officers received this training.

### **Training on Islamic Microfinance**

Human Resource Department in coordination with Special Asset Management & Sharia Department and Alhuda CIBE organized training on “Islamic Microfinance” at Head Office on 22<sup>nd</sup> October. A total of 10 participants including Field Managers and Loan Officers from Sharia Branches of all three regions were benefited from this 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.

### **Trainings on LTS/FIS Integration**

To acquaint accounts officers with 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 5 Accounts Officers received said training.

### **Trainings on MIS, LTS, FIS, and CIB**

To enhance the skills of new staff on MIS, LTS, FIS, and CIB, Human Resource and Information Technology Departments collaboratively organized a training in Bahawalnagar. A total of 16 participants including the Regional Manager, Field Manager, Accounts Officer, and Loan Officers were benefitted from this training.

## Trainings on Effective Loan Disbursement and Recovery Process

To enhance the knowledge of the staff on loan disbursement and recovery process and equip them with the skills to effectively perform their duties, three trainings on “Effective Loan Disbursement and Recovery Process” were organized for Field Managers and Loan Officers from all the three regions. A total of 50 staff members received this training.

Sr.#	Date	Organized for the Staff of	Nature of Participants	Number of Participants
1	7 <sup>th</sup> December	Region-1	FMs, LOs	18
2	8 <sup>th</sup> December	Region-2	FMs, LOs	15
3	13 <sup>th</sup> December	Region-3	FMs, LOs,	17
	<b>Total</b>			<b>50</b>

## Training on Fraud Prevention, Detection, and Deterrence

To enhance the skills of staff to better identify fraud risk and design fraud preventive, fraud detective, and fraud deterrence internal controls a training on “Fraud Prevention, Detection and Deterrence” was organized by Human Resource Section in collaboration with NIBAF, at Head Office. Mr. Shahid Iqbal, Trainer Subject Specialist NIBAF, conducted the session. A total of 22 participants including Head Office Management, Regional Managers, and Area Managers were benefitted from the session.

## External Trainings

- Mr. Junaid Iqbal (GM Operations), Ms. Sadia Ali (Senior Manager Risk), and Mr. Sarmad Mirza (Senior Manager Compliance) participated in “Advanced Professional Certification in Anti Money Laundering & Combating Financing Terrorism” from 11<sup>th</sup> – 15<sup>th</sup> October. It was organized by NIBAF at the State Bank of Pakistan.
- Mr. Awais Masud (Senior Manager Operations & Monitoring), Ms. Riffat Anwar (Area Manager-Area 9), and Mr. Qaiser Mahmood (Area Manager-Area 8) attended two Online Webinar Sessions on “Learning Series: Building Women-Centered Strategies 1 & 2. Creating the Customer Value Proposition” organized by SECP on 1<sup>st</sup> and 8<sup>th</sup> December.
- Mr. Muzaffar Saleem (AM-HR, Region-1), and Mr. Jawad Raza Jafri (AM-HR, Region-2), received online training on “Employee Due Diligence” organized by NIBAF on 20<sup>th</sup> December.



## Research

DAMEN Support Programme has always been responsive to changing market demands and has prioritized the needs of clients while formulating its operational policies. DSP utilizes research as a tool to analyze the day-by-day changing market trends.

### **Area Assessment Khanewal, Lodhran Districts, and Hasilpur Tehsil**

Before starting operations in District Khanewal & Lodhran and Tehsil Hasilpur, DSP conducted an Area Assessment Study of all the said regions to assess the Microfinance Opportunities; and socio-economic analysis of these particular areas and services being provided to the people. The study was based on highlighting needs, assessing impact, and exploring sector/area-specific issues involving;

- Establishing and updating appropriate baseline data
- Designing and delivering quantitative analysis using primary, proprietary, and publicly available datasets
- Assessing the scope and strengths of specific sectors or themes
- Highlighting the impact of initiatives and developments
- Determining priorities and evidence of need about specific issues relative to the needs of communities.

The Area Assessment Study addressed issues such as access to financial services and the role of the enabling environment. Through the use of quantitative surveys and qualitative studies, the research examined if and how the financial innovations affect access and use of financial services by the poor and impact client and community. In this way, the research helped to reveal the value proposition of branches locations and products to offer the clients.

## 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.

- For sharing of experience and strengthening linkages between two organizations Ms. Sadia Ali, Senior Manager Risk did an exposure visit to KASHF Foundation.
- An agreement was signed between CEO-DSP, Mr. Musharraf Mahmood Khan, and CEO-Munsluk Digital to avail the digital services provided by Munsluk.





## 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.