

Dakahlya Businessmen's Association for Community Development, Egypt

The Dakahlya Businessmen's Association for Community Development (DBACD) was founded as an NGO in March 1995 under the Ministry of Social Affairs. After signing a Cooperative Agreement with USAID in October 1997, DBACD disbursed its first individual loan in late 1998 and its first group loan in 2001. As of December 2009, DBACD had an outstanding portfolio of 131.7 M EGP (23.2 M USD), serving 104,175 clients in all the districts of the Dakahlya governorate, with a 49% proportion of individual loans and 51% of group loans. DBACD has the **vision** of "a Dakahlya society free of poverty with individuals enjoying a better quality of life". Its **mission** is to "provide financial and non financial services to low income families in a sustainable and good quality manner, and to contribute in improving their standard of living."

Social Performance Rating

March 2010

Overall, DBACD's Social Performance is rated "3"

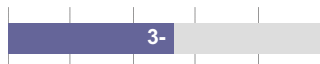
Social Performance Management	Financial Inclusion	Client Protection & Ethical Finance	Human Resources Policy	Social Change
3-	3-	3-	3+	**



Indicators	2009
Intent to have an impact	Convincing
Risk of mission drift	Low

Social performance management

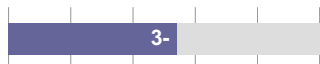
- DBACD has a clear intent to achieve social impact but would benefit from refining its social mission. The latter remains nevertheless sufficiently shared by the main stakeholders and is taken into account in key decisions.
- DBACD still has to define social performance indicators to be monitored as such for an optimal decision-making. The institution nevertheless tracks basic client retention and outreach ratios and conducted some surveys and focus groups.



Indicators	2009
Population poverty in areas of op.	46.7%
% Female clients	56.3%
% Rural and semi-urban clients	72.9%
% Clients with social collaterals	50.7%
% Penetration of adults in Dakahlya	2.9%
Av. loan disbursed (USD)	264
% of GDP per capita	29.9%
% Retention (Schreiner formula)	78.6%
Effective Interest Rate	~32.4%
Group loans	~47.2%
Individual loans	~29.0%

Financial inclusion

- DBACD serves clients mostly located in the Dakahlya governorate, where most individuals are deprived of access to formal financial services. The average poverty rate of districts where DBACD operates (46.7%) is close to the average in the governorate (~49%) and higher than the national average (40.5%), due to DBACD's outreach to rural and semi-urban areas.
- DBACD has satisfactorily adapted its lending services to address the clients' needs thanks to surveys and feedback from operations. The new MIS is expected to allow more adaptations. Constrained by legislation, DBACD cannot directly offer other financial services but plans to establish partnerships with licensed providers.
- With an average EIR of 32.4% and moderate transaction costs, the cost of services borne by DBACD's clients is reasonable.



Indicators	2009
% Loans checked / credit bureau	0%
% Loans checked /other MFIs	0%
Loan Instalment/ disp. income	n/a
% Clients w/creditle coverage	0%
% Clients bearing FX risk	0%
Type of interest rate	Flat
% Clients visited by non-op staff	22%

Client protection & ethical finance

- Committed to client protection, DBACD has put some good procedures to ensure the privacy of client data and to foster ethical behavior within the organization. However, the institution ought to ensure that all repayment capacity analyses are properly done, to further prevent over-indebtedness, and refine delinquency management procedures, to mitigate risks of inappropriate collection practices. Formal mechanisms for redress of grievances are not yet in place but clients have sufficient opportunities to voice their concerns.
- Pricing information is not yet sufficiently clearly disclosed to clients, which is notably explained by the unfavorable legal framework for NGO MFIs. In such a context, loan conditions are generally shared verbally with clients in order to guarantee a minimum level of transparency.