

**مؤسسة مخزومي**  
**Makhzoumi Foundation**



**END OF YEAR**  
— **2020** —

# OUR VISION

To provide ultimate living conditions for every person in Lebanon

# OUR MISSION STATEMENT

To mobilize resources, build partnerships and develop the capacities of our community in Lebanon while promoting targeted education, affordable healthcare, workable startups, sustainable development and secured livelihoods.

# OUR VALUES & PRINCIPLES

## **RESPECT FOR HUMAN RIGHTS**

We recognize that all human beings are born free and equal in dignity and rights.

## **EMPOWERMENT**

Empowering the community underlines everything we are and everything we do.

## **LEADERSHIP**

Our best work comes through a collaborative approach that leads groups towards specific results.

## **SERVICE BEYOND SELF**

Philanthropy is our strong motivator to act from a concern for others.

## **ACCOUNTABILITY**

We are responsible for all our actions and decisions.

## **TRANSPARENCY**

We are guided by openness in the dissemination of our records.



## LETTER FROM THE PRESIDENT

### ***Friends of Makhzoumi Foundation,***

*This year, this letter is different. 2020 was a real challenge to everyone on earth. It was yet more challenging for the people living in Lebanon. Covid-19, an endless economic crisis where people's money is held in hostage, and a summer closure with the deadly Beirut Port Explosion are three unbearable confronts. However, it is during times like these that I am proud to be a part of Makhzoumi Foundation, working to advance community service, reduce inequalities, and support people in need across Lebanon. For more than 23 years, we have collectively addressed the most grave community issues and implemented projects to drive transformational change.*

*We all agree that since the start of the pandemic, it is the responsibility of everyone working at MF and in our community to minimize the spread of COVID-19. We started the year with protocols in place to protect our working environment. For the common good, we have continued our operations with necessary restrictions to keep our services ongoing. The Beirut Blast teams also did great works in supporting our beloved capital. In the streets since August 4<sup>th</sup>, nothing stopped them from help. The strong commitment of our teams to a shared understanding of the critical importance of emergency service shows the extreme care that we have for each other and ourselves.*

*We know that each day is bringing significant challenges and pressures on our operations. In 2020, we stood up for our communities shoulder-to-shoulder, and we encourage everyone to stand at their backs. This is our commitment and as we continue our dynamic climb on the ascent of humanitarian works, our annual report for year 2020 is a tool that we use to continually improve how we serve the community and the country; as well, it is an opportunity to share success stories that show our mission and strategy in action.*

*Sincerely,*

***May Makhzoumi | President  
SDG5 Goal Leader***

# OUR STRATEGIC PLAN FRAMEWORK

MF strategy has 10 major goals that emanate from each program and department. Every goal is set with a series of strategic objectives and a list of key performance indicators that measure our performance improvement.

- GOAL 1**

To train and educate with the skills needed for today’s workforce.
- GOAL 2**

To increase the value of our health services, by enhancing prevention and quality, and strengthening our ability to deliver cost effective care.
- GOAL 3**

To improve the Social and Economic status of entrepreneurs and low to medium income community members.
- GOAL 4**

To preserve and improve the environment as a valuable asset of Lebanon on the road towards sustainable development.
- GOAL 5**

To meet relief and humanitarian essentials to Vulnerable Communities.
- GOAL 6**

Invest in the professional development, mentoring and advancement of human resources
- GOAL 7**

Maintain financial stability and strengthen the financial and organizational capacity
- GOAL 8**

Strengthen partnerships for adequate responses to community needs
- GOAL 9**

Build accountability for the Information system to maximize the potential of our data
- GOAL 10**

Spread the stories to enhance visibility and engage the staff, stakeholders and the community

# FINDING MEANING THROUGH SERVICES

Makhzoumi Foundation began to line up along the Sustainable Development Goals (SDGs) since they were established by the United Nations in the fall of 2015. The SDG framework is both aspirational and practical for us to apply our superpowers in finding innovative solutions to the community's most daunting challenges, which are social, economic and environmental.



## #1 NO POVERTY

We are implementing nationally appropriate social protection systems and measures, targeting the most vulnerable, increasing basic resources and services, and achieving substantial coverage communities.

## #3 GOOD HEALTH & WELLBEING

We are addressing many different persistent and emerging health issues by focusing on increased access to primary healthcare services with improved vaccination and hygiene.

## #4 Quality Education

We are improving quality of life through access to inclusive vocational and technical education that helps equip the community with the tools required to develop innovative solutions to the world's greatest problems.

## #5 Gender Equality

Our president was selected to be SDG #5 Goal Leader and this is a direct drive toward our works on achieving progress on gender equality and women's empowerment.



# UNDERSTANDING OPPORTUNITIES

Beyond the long years of community empowerment, Makhzoumi Foundation has targeted SDGs implementation through global footprint, vast resources and innovative solutions for humanitarian challenges. At the same time, the expertise of our teams focuses on the global goals direct mission, credibility and relationships with remote and marginalized communities.



## **#6 CLEAN WATER & SANITATION**

We are working on reducing pollution and minimizing hazardous chemicals and materials and substantially increasing recycling and safe reuse.

## **#7 AFFORDABLE & CLEAN ENERGY**

We are spreading awareness about the right possible uses of energy and trying our best in supporting community access to affordable, reliable alternative energy services.

## **#8 DECENT WORK & ECONOMIC GROWTH**

We are trying to help our community achieve higher levels of economic productivity through startups diversification and vocational innovation.

## **#10 REDUCED INEQUALITIES**

Our works witness the significant strides towards NO DISCRIMINATION in regards to color, ethnic beliefs, abilities, and race. This is how we address all nationals and displaced communities, trying as much as we can to reduce the large disparities.

# INTERCONNECTING GLOBAL TARGETS

The SDGs are all interconnected. For example providing girls with access to a quality education promotes gender equality, reduces hunger and poverty. Through this framework, Makhzoumi Foundation works. We make it crystal clear what particular SDGs we are addressing and how. Our reach means we are well placed to contribute to and benefit from the SDGs.



## **#11 SUSTAINABLE CITIES & COMMUNITIES**

We are helping reduce the adverse environmental impact of cities in Lebanon by paying special attention to air quality and other waste management and supporting positive economic, social and environmental links.

## **#12 RESPONSIBLE CONSUMPTION & PRODUCTION**

We are contributing to sustainable consumption and production by promoting energy efficiency and by providing access to green and decent jobs and a better quality of life for our community.

## **#13 CLIMATE ACTION**

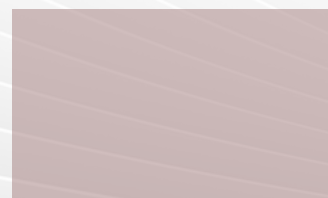
We are improving education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

## **#14 LIFE BELOW WATER**

We are working hard to prevent and reduce marine pollution of all kinds, in particular from land-based activities.

# EMBRACING THE WORLD'S PLAN

We all agree that the Sustainable Development Goals are an excellent vehicle for driving a change. To us, they are like an action plan for the whole planet and the community to prosper by 2030, hopefully. We are contributing to their implementation because we trust their strategic importance to the world and to Lebanon, and we are committed to helping achieve them.



## #15 LIFE ON LAND

We are promoting the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services. We are also combating desertification through reforestation projects, striving to achieve a land degradation-neutral world.

## #16 PEACE, JUSTICE & STRONG INSTITUTIONS

We are working on significant reduction of all forms of violence, ending abuse, exploitation, trafficking and all forms of torture of children. We are also spreading awareness about legal identity for all, including birth registration. We are also strengthening ourselves and our national partners through international cooperation for building capacity at all levels.

## #17 PARTNERSHIPS FOR THE GOALS

In implementing the last SDG, we are strengthening our partnerships with local, international and governmental institutions including both the private sector and civil society. We are so much aware that these inclusive partnerships that are built upon principles and values, a shared vision and shared goals will place the community at the center.





***MORE THAN 3 MILLION SERVICES  
FOR OVER 650,000 BENEFICIARIES***

## **Services By Numbers** *Since 1997*



**839,816**

**Healthcare  
Services**



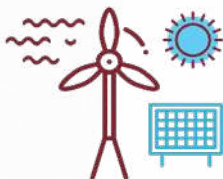
**151,057**

**Training  
Certificates**



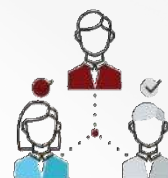
**12,155**

**Micro  
Loans**



**319,153**

**Environment & Development  
Outreach**



**1,135,533**

**Humanitarian  
Assistances**

# OUR PEOPLE

Our people play a key role in supporting the community and we are proud of the quality of **180** professionals. Each and every day our people play a leading role in helping people access high quality, affordable services. MF centers all over Lebanon are an inspiring place to work, thus we continue to focus on the human resources and provide them with the proper support to operate efficiently in a caring environment.

During the 2020 year, many challenges were faced both at the MF level and at the national level. Covid-19, the economic crisis and the Beirut Port Explosion have limited our capacity to recruit and implement professional development as usual. However, MF teams were facing the challenges one after the other with a range of initiatives that were rolled out for all our employees. The drive behind this is engagement, leadership, development, as we work towards delivering a more rewarding and engaging environment for all. We have set objectives to know about employee attitudes, burnout tendencies, workplace climate, training opportunities and competitive intelligence, which are key indicators for employee retention, satisfaction, and productivity. We have seen a positive shift in results in relation to the knowledge and tools that help build positive employee relations and a positive work environment for upcoming years.

## THE APPRENTICESHIP MODULE

The apprenticeship module at MF is initiated by the Human Resources Department. The purpose of this module is to recruit apprentices who are graduate and postgraduate students from diverse academic backgrounds, where their education and career could be enhanced through practical work assignments and sessions at MF. The duration of the apprenticeship is mainly two months. Upon selection for the apprenticeship position, candidates are required to sign a statement confirming their understanding and acceptance for the conditions of service. Apprentices report directly and work under the supervision of their supervisor.

MF provides flexible working hours. Most of the participants have an education in human resources and business management. This Apprenticeship allows participants to take time to understand their role, tasks and the work processes that take place in NGOs. The experience is beneficial for future career paths. Once they finish their apprenticeship, participants continue to support MF through presenting training sessions to other candidates. The table below shows some numbers related to the MF apprenticeship program during the year 2020:

Number of candidates who joined in 2020	Gender Distribution	Age Groups of participants
15	Female 13: Male 2	20 to 26 years old

# PLATINUM Accreditation

MF has long been implementing accreditation processes to improve its standards of working and ensure accountability to its multi-stakeholders.

In 2020, MF was accredited by the Non-Governmental Organizations Initiative (NGOi), which is an initiative of the American University of Beirut (AUB) that provides different services to the NGO sector in Lebanon and the MENA region. The AUB NGOi team surveyed and reported on MF governance, strategic planning, risk management, communication, reporting, monitoring systems, human resources management and financial procedures.

MF was awarded the Platinum record during a celebration ceremony in presence of presidents and teams of both organizations, with maximum precautions for the prevention of crowding during Covid-19 pandemic. Future plans are in place for more accreditation awards.





# The MICRO-CREDIT PROGRAM

**154**

**Services in 2020**



## MICRO-FINANCE IN THE RIGHT WAY...

Small businesses are the center of economy. Since 1997, Makhzoumi Foundation thought of that and initiated its Micro-Credit program. The provided services has been Grounded on our community needs and has evolved over the past 23 years to address a wider group of people including women and youth. Financial and non-financial services are offered with continuous guidance because we believe that low and middle income individuals should not be deprived of the opportunity to start their own business. Sometimes, all that's needed is a little financial help and endorsement. Today, more than ever, after the financial, economic and health crises that inflicted Lebanon, we provide financial and non-financial services to micro entrepreneurs who wish to establish or to develop a business activity to increase their income and improve or even sustain their economic status. The confidence our beneficiaries has put in us makes this Program as one of the leading microfinance programs in Lebanon. Makhzoumi Foundation has, since the beginning of the crisis and the pioneer, transformed all the Dollar loans into Lebanese pounds, on the official rate, and without any additional fees. Also, to be noted that due to the crisis, the operations were limited to the minimum, hence a reduced number of services and less sustainability.

## SOCIO-ECONOMIC IMPACT...

MF Micro-Credit program stresses on the importance of the socio-economic impact as a quantitative evaluation of the utility of its entrepreneurs projects. This allows us to reach the goal where social, environmental, economic and financial impacts can be measured in a monetary unit. It is a very important to stress the huge effect of the crises on the economy have also impacted our operations, and the lives and wellbeing of our beneficiaries. We are thus proud of the results that show we have weathered the storms well, and moreover, our effort is even more important in the coming period.



\*Self-sufficiency is null for 2020 due to the challenges faced



## Borrower's **SITUATION...**



**52%**  
**Women**



**9%**  
**Youth**



**84%**  
**Low income**

High inflation and plummeting economic activity, with a GDP decreased by 25%, has done its toll on the challenging situation of MF micro-loans borrowers. Our goal at present is to reach low income earners, which means those who earn less than \$35, or less than fresh \$5.5 per day and per household member. We are also aiming to reach women and youth who are most vulnerable without compromising their delicate situation and submitting them to over indebtedness. The current situation has made our index obsolete, for \$10 per day per household member.

## Promotion **DISTRIBUTION...**

0%	Promotion
15%	Door to Door Promotion
23%	Group
8%	Social media and Search
8%	Makhzoumi Foundation
46%	Word of mouth

## Profit **REINVESTMENT...**

80%	Activity
16%	Necessity
0%	Luxury
4%	Savings

## Portfolio **PERFORMANCE...**

### Portfolio Performance

The disbursed amount and the repayment rate determine the effectiveness of the use of our assets and the robustness of our operations:

<b>\$269,686</b>	Disbursed Amount
<b>90.24%</b>	Repayment Rate

### Financial Sustainability

The ability to sustainably operate is demonstrated by having more income than expenses is not indicative now, due to the differed payments. Unfortunately, for the first time since 2006, our numbers are negative.

**0%** Sustainability rate

## Funds of the program...

**Naamat Naamani Charity Fund (NNCF):** MaF continues to manage the Naamat Naamani Charity Fund (NNCF) since 2009. The trust fund assists Lebanese families by providing financial loans to women through the Micro-Credit program, and contributes to enable women to become more productive and capable. The number of loans distributed through this fund exceeds **275** with a total loan value of \$467,883 since inception.

**Imad and Carolyn Makhzoumi Charity Fund (ICMCF):** MF began to manage the Imad and Carolyn Makhzoumi Charity Fund (ICMCF) in 2018. The trust fund assists Lebanese families by providing financial loans through the Micro-Credit program to youth, women and men, and contributes to enable individuals to become more productive and capable. The number of loans distributed through this fund exceeds **16** with a total loan value of \$20,872 since inception.

**Monica Makzoume Charity Fund (MMCF):** MF began to manage the Monica Makhzoume Charity Fund (MMCF) in 2020. The trust fund assists vulnerable Lebanese families by providing financial loans through the Micro Credit program to youth, women and men, and contributes to enable individuals to become more productive and capable. It was used for the Emergency Loans disbursed to the existing or past borrowers who were affected by the August 4<sup>th</sup> Blast in Beirut Port. The number of loans distributed through this fund exceeds **9** with a total loan value of \$6,242.

## Projects of the program...

**IDEA.Is:** As Phase II of the project with Positive Planet International (PPI), IDEA.Is, a coaching service that MF has implemented with PPI, targeting 24 Projects from the graduated trainees of the first project or having received the same Entrepreneurship training. PPI trained the coach and followed up with the implementation of the project on its online platform.

It was implemented from January 2020 till July 2020. The coach has followed up a group of 24 persons, out of whom 8 dropped and 16 graduated.

The first plan was to use a blended approach. But with the COVID-19 pandemic precautions, a full online method was chosen. An planned online graduation ceremony was also cancelled due to the Beirut Port Explosion.

## Product TYPES

MF offers two main products: Business loans and Worker loans.

We have introduced the following new products:

- **SME Loan:** To cater for the Small and Medium enterprises by loan amounts going from 8 million LBP to 30 million LBP.
- **Emergency Loan:** as a response to the 4<sup>th</sup> of August blast, this is a very selective loan for the borrowers who were affected by the blast.
- **Family Loan:** Still in pilot phase. It caters for the non-working housewives; this product is designed to incentivize them to have an income generating activity, to access more loans.
- **Youth loan:** Still in pilot phase. It is for youth for educational or starting up a new enterprise, to incentivize them to have an income generating activity, to access more loans.
- **Grants:** We introduced the productive grant product in 2016. This product is only based on projects.

## EVENTS & ACTIVITIES

### Recurring Activities:

- BOD & Subcommittee meetings with GCNL.
- BOD meetings with LMFA.
- Thematic Meetings with BML Livelihoods Working Group coordinated by UNDP.
- Multiple Trainings and Workshops with Haceb for the new software.

### Other activities:

- Investors meeting with LMFA
- Psychometrics scoring workshop
- Tamayyaz consultancy for crisis management. Initial informative meetings and three training sessions
- CGAP SURVEY FOR LEBANESE MICROFINANCE SECTOR DURING THE CRISES. After participating, coordinating, we attended the presentation of the report and submitted our remarks.
- IMF STUDY OF MICRO FINANCE SECTOR WITH POSITIVE PLANET (a feedback session one on one)
- MF BEIRUT BLAST OPERATIONS (cooperation and implementation)
- WORLD BANK TEAM| MFI CONSULTATION - RAPID DAMAGE NEEDS ASSESSMENT – skype group call with LMFA and MFIs



## SUCCESS STORIES...

*I took my first loan from Makhzoumi Foundation in 2013. Then I kept improving my small business and renewing my loan. Today, because of Covid-19, my small business is in danger. We have been on lockdown for 3 times and we lost our profit. The situation is awful. We hope that the economic crisis resolves soon.*

*At present, to solve this problem, I am working through online platforms. I started teaching kids art and hand craft classes.*

— Dina / Small Business owner



# MEMBERSHIP

## for increased Opportunities

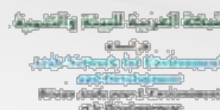
Makhzoumi Foundation is proud to be a member of:



REPUBLIC OF LEBANON  
MINISTRY OF PUBLIC HEALTH



United Nations  
Convention to Combat  
Desertification



IUSR  
INTERNATIONAL UNION  
FOR SOCIAL RESPONSIBILITY

الشبكة الإقليمية  
للمسؤولية الاجتماعية





# PARTNERSHIP

## for increased Opportunities

Makhzoumi Foundation is proud to be a partner with:



\*For more partnership information, please check [www.makhzoumifoundation.org](http://www.makhzoumifoundation.org)

*"No One has ever become Poor by Giving"*

**Your support to Makhzoumi Foundation is precious**



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