

مؤسسة مخزومي
Makhzoumi Foundation



END OF YEAR
2021

The MICRO-CREDIT PROGRAM

MICRO-FINANCE IN THE RIGHT WAY...

223

Services in 2021

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 24 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.



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,

By the end of 2021, Lebanon was going through many challenges. We have faced Covid-19, the worst economic crisis, and the consequences of the Beirut blast, in addition to hosting the highest number of displaced people in the world. One of the smallest countries shows tremendous commitment to vulnerable populations within its peripheries.

Despite all of that, Makhzoumi Foundation maintains the social impact on its communities. In the programs of education, health, micro-credit, development and humanitarian relief, diversity, equity, and inclusion, start with us. Our teams commit to bringing together societies and helping build an empowering, inclusive, and equitable future. Since 1997, we have embraced people from all backgrounds, facing challenges with new perspectives. Our teams provide an environment where everyone feels respected, valued and empowered. We all know that the current situations have exacerbated the existing vulnerabilities in our communities. We have witnessed significant hardships with the strained natural resources such as water, air, ecosystems and land. Hundreds of healthcare workers have left the country within the health sector. The COVID-19 lockdown measures have exacerbated the situation with prolonged periods of isolation, income insecurity, and restricted access to medical and social services, which created risks for ongoing violence against women and children. The situation for education is vastly affected by interrupted learning as well as teachers and professors are leaving the country.

Makhzoumi Foundation continues assisting with the most demanding challenges, from the Covid-19 vaccination to supporting education and addressing the basic needs of our local communities. Especially with the tremendous rise of inflation devaluation of our currency, leading to classification of Lebanon amongst the lowest pay and increasing poverty to 80% of the population. Our vision is to provide ultimate living conditions for Lebanese communities to be able to face the hardships attained.

We aspire to carry on with our work despite all happening , depending on the dedication of our committed staff.

Sincerely,
May Makhzoumi I 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

MEETING THE SDGS DURING COVID-19

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. During the COVID-19 pandemic, MF mobilized a comprehensive health, humanitarian and socioeconomic response. MF continue to step forward as a force for growth in this ongoing time of need.



#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

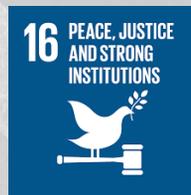
We are improving education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

#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.



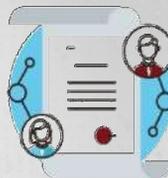
**MORE THAN 3 MILLION SERVICES
FOR OVER 650,000 BENEFICIARIES**

Services By Numbers *Since 1997*



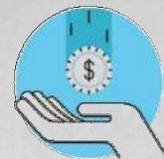
886,270

**Healthcare
Services**



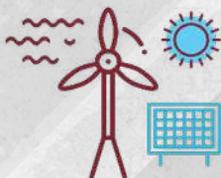
153,978

**Training
Certificates**



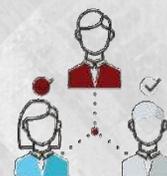
12,378

**Micro
Loans**



324,353

**Environment & Development
Outreach**



1,177,860

**Humanitarian
Assistances**

OUR PEOPLE

Our people play a key role in supporting the community and we are proud of the quality of **200** professionals. It did not change through 2021. On the opposite, it improved and became more structured and our first priority is always the safety of MF people. From mask-wearing and social distancing to proper hand-washing and regular sanitization, we know basic safety protocols work. Doing these things consistently matters, especially during Covid-19 and we continue to rely on our policies and procedures in addition to national and international guidelines and protocols for our human resources safety. During 2021, team faced challenges and consequences of

Covid-19, the economic crisis and the Beirut Port Explosion. Despite that, there was a drive for 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

70

Apprentices in 2020

29

Apprentices in 2021

55:15

Female: Male

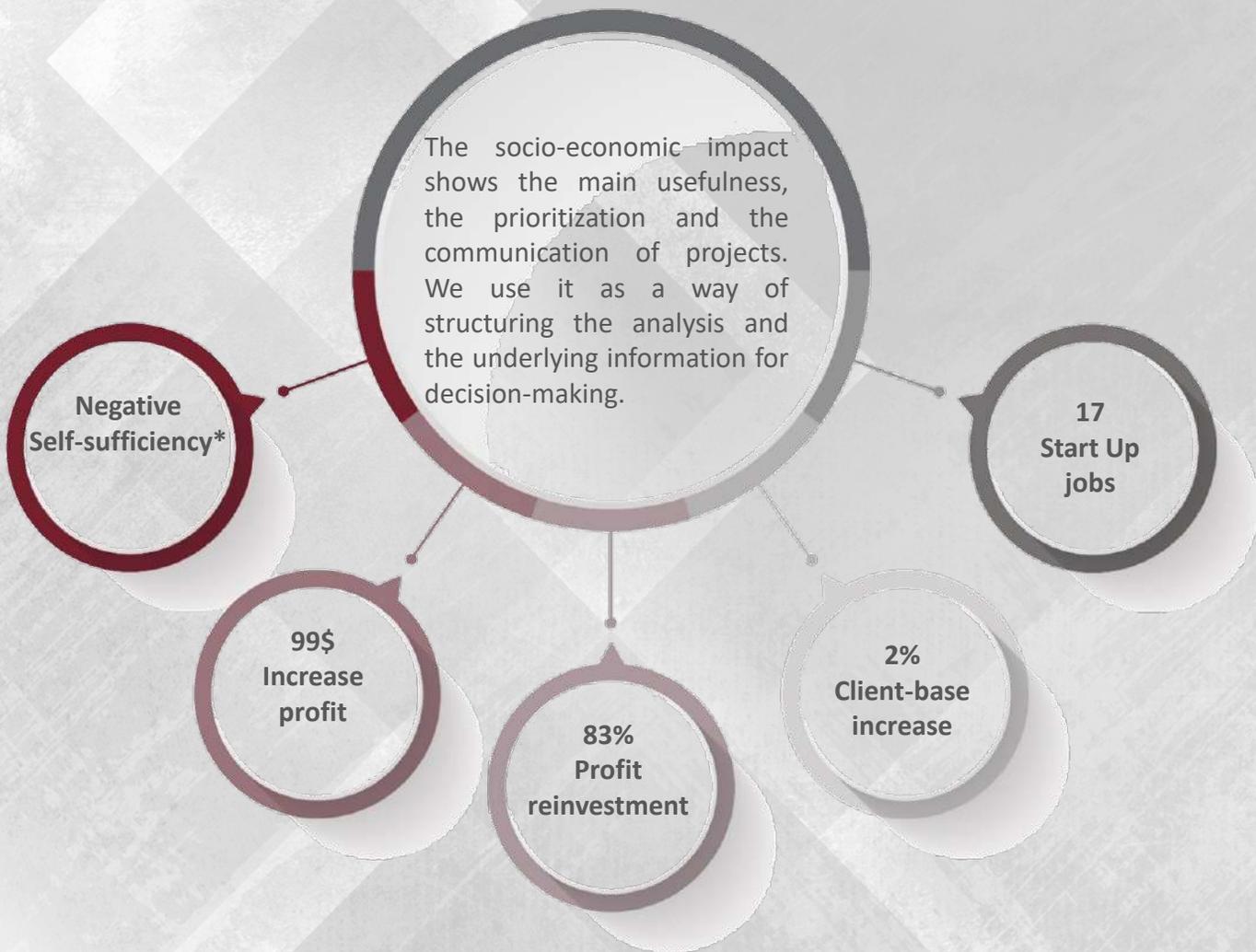
The apprenticeship module at MF is initiated by the Human Resources Department. The purpose of this module is to recruit apprentices who are graduate and postgraduate students from diverse academic backgrounds, where their education and career could be enhanced through practical work assignments and 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.

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 negative for 2021 due to the challenges faced, which is acceptable due to the current situation

Borrower's **SITUATION...**



52%
Women



9%
Youth



95%
Low income

High inflation and plummeting economic activity (GDP decreased by 10.5% in 2021 and by 58.1% since 2019) has done its toll on the already challenging situation of the borrowers. Our goal is to reach Low income earners, who earn less than \$100, or less

than \$6 fresh per day and per household member, and 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.

Promotion **DISTRIBUTION...**

9% Promotion
0% Door to Door Promotion
6% Group
4% Social media and Search
9% Makhzoumi Foundation
72% Word of mouth

Profit **REINVESTMENT...**

83% Activity
14% Necessity
0% Luxury
3% 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:

\$ 781,166 Disbursed Amount

91.92% 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. This year will be the second consecutive year that our finances are not sustainable since 2006

0% Sustainability rate

Product TYPES

Makhzoumi Foundation 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 4th 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.
- Multiple Meetings and Workshops with World Bank, Kafalat and LMFA regarding the B5 project.

Other activities:

- An interactive workshop: Study on approaches to the Microfinance foreign exchange crisis in Lebanon, which was implemented by LMFA, EBRD & Frankfurt School of Finance & Management.

- Multiple meetings and a Workshop with IFC and LMFA about the 'The Inclusive Insurance' Project.
- One year of SME and entrepreneurship policy responses to covid-19: lessons learned to build back better (joint with international network of SMES - InSME).
- Investing & Lending social enterprises, a four session Workshop with CESVI and LMFA.
- Corporate Governance, effective leadership and Digital Marketing approach trainings with ESA & LMFA, funded by BDL.

MEMBERSHIP

for increased Opportunities

Makhzoumi Foundation is proud to be a member of:



United Nations
Global Compact

PARTNERSHIP

for increased Opportunities

Makhzoumi Foundation is proud to be a partner with:



*For more partnership information, please check www.makhzoumifoundation.org

“No One has ever become Poor by Giving”

Your support to Makhzoumi Foundation is precious



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