



AL MAJMOUA
المجموعة

ANNUAL REPORT

2020



Letter from the Executive Director



The year 2020 was the most challenging year in Al Majmoua's history, as the country was hit by a series of unprecedented crises: economic, financial, the COVID-19 pandemic and the Beirut Port explosion on August 4th.

Al Majmoua's team went on crisis management mode with an aim to absorb and mitigate all possible risks resulting from the multiple crises. With unemployment and poverty increasing considerably, Al Majmoua continued to reschedule and restructure borrowers' loans, offering ways of easing debt repayments for our clients.

Throughout the year, Al Majmoua remained true to its social responsibility towards its clients, financially and non-financially, addressing their problems with suited solutions. Our main concerns during the financial crisis and COVID-19 pandemic were to assess our clients' situations in terms of health and work; identify their needs to restructure their loan, design and create solutions to protect and secure them with better living conditions; and emphasize Al Majmoua's commitment to its social responsibility by staying in contact with clients and assuring them support during these difficult times. Taking into consideration our clients' requests and needs, we provided a 2-month grace period with no extra delay fees, rescheduled USD loans and introduced new emergency loan products in LBP to support our clients' businesses and meet their basic and social living needs.

We were also able to help some of our clients who needed food and medical aid by cooperating with international NGOs to help deliver direct food assistance to vulnerable female clients and fundraise for a Cash for Work program for clients in agriculture and agro-food businesses to support them and the sustainability of their businesses.

In the aftermath of the August 4th Beirut port explosion, Al Majmoua was on the front line, surveying damages and seeking to provide support to our more than 1300 clients who were impacted by the blast. Furthermore, we secured grants from international donors to provide some 400 micro entrepreneurs with cash assistance to help them resume their business activities.

Last, but not least, Al Majmoua teamed up with LebNet and expatriates to establish the Aleb platform to support the population in Lebanon through sustained remittances on a family to family basis. Launched at the end of December 2020, the platform was able to secure support for 34 families by year's end. We are hopeful that this platform will help many micro entrepreneurs overcome the hardships of the crises and resume their income generation activities for their well being and that of their families.

We believe in Lebanon and the future it holds for us. We will continue to stand behind our commitment in supporting vulnerable, low income segments by providing the financing needs to all our clients.

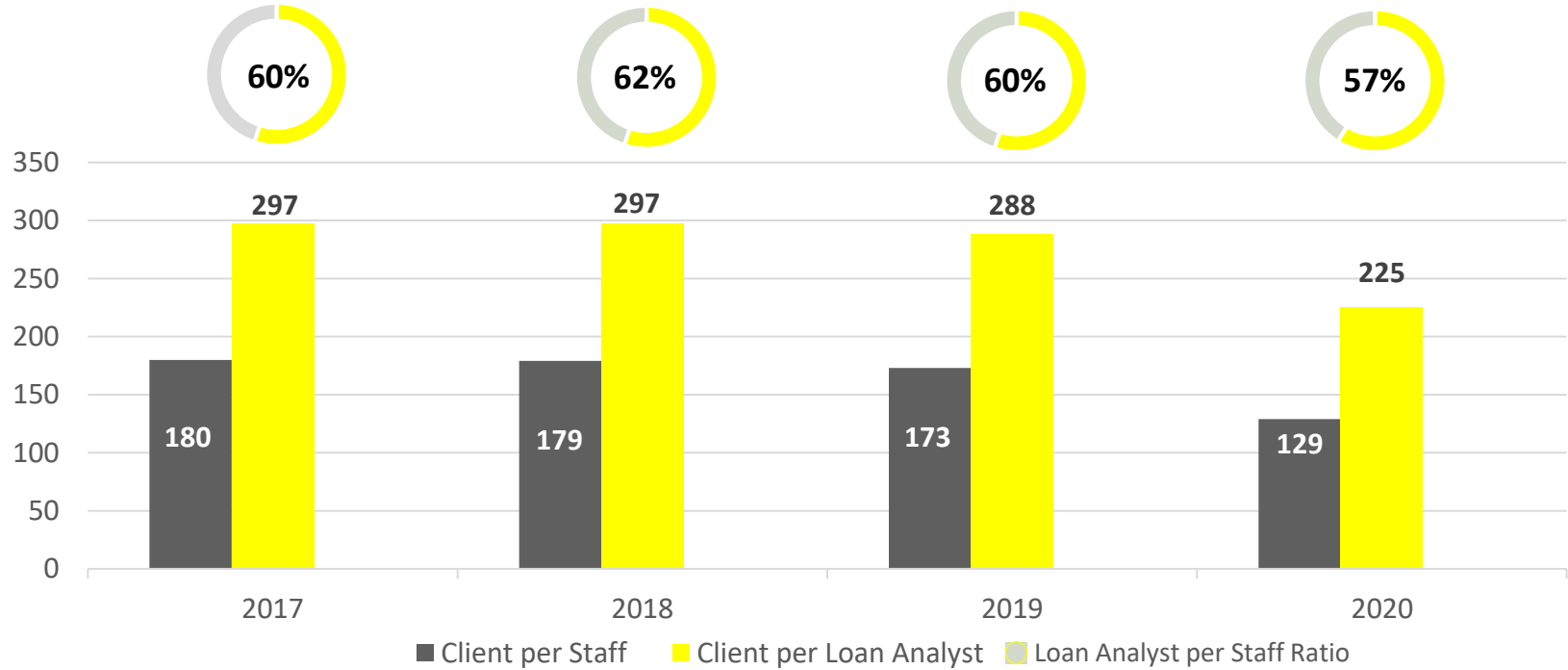
Despite the hardships, Al Majmoua's commitment to operate responsibly remains intact throughout as it continuously strives to ensure sustainable development while taking into account the economic, social and environmental conditions of our operations in Lebanon.

I wish to thank our clients for their continuous understanding, all our staff members for their loyalty, sacrifice, commitment and exemplary contribution and efforts, and all of our funding partners who stood by us in these difficult times and granted us their trust and support as Al Majmoua sought to mitigate and continue its operations in a most challenging environment.

SOCIALLY RESPONSIBLE LENDING

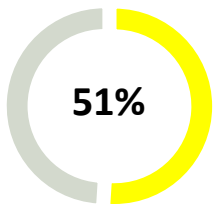


EFFICIENT OPERATIONS

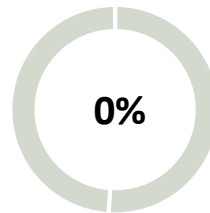


BOTTOM-LINE RESULTS SOCIAL PERFORMANCE

SMALL SIZED LOANS



PERCENTAGE OF DATA ERRORS



NUMBER OF REPAYMENT OUTLETS

1,779

Small loans are those $\leq 20\%$ of GNI per capita | Small installments are those $< 0.5\%$ GNI per capita
 Percentage of data errors = number of errors / number of data fields

SUCCESS STORY

Raising and Fattening Livestock

NAME : Ali El Merhej

PARTNER : Aouch Al Mohamad

PROJECT : Raising and Fattening Livestock

LOCATION : Riak



Ali el-Marhej and Aoush el-Mohammed met during the training and decided to enter into a partnership with the livestock raising and fattening project, as their experience in this field complement each other. Ali had previously worked in raising and fattening livestock with his family. As for Aoush, she has great experience in raising and fattening livestock, in addition to producing dairy and cheese. The business was launched in April 2019 after completing the training and obtaining important information that will be used when facing challenges later. They were able to produce milk during the first month, as they opened the business during springtime, which reduced production costs relative to the winter season in terms of feeding and heating machines. Ali and Aoush split the chores amongst them and hired a shepherd to take care of the cattle all day. They are now planning to buy an automatic milking machine as it is less time consuming and increases the amount of milk, in addition to buying refrigerators to store dairy products and cheese.

TAILORING SOLUTIONS & IMPROVING ACCESS



NEW PRODUCTS & SERVICES

Grace Period

Al Majmoua provided a two-months grace period for the months of March and April with no extra delays for defaulted loans.

Loans in LBP

Al Majmoua launched its new Emergency Group, Micro & Micro Plus loans in LBP.

Purpose of the Loans

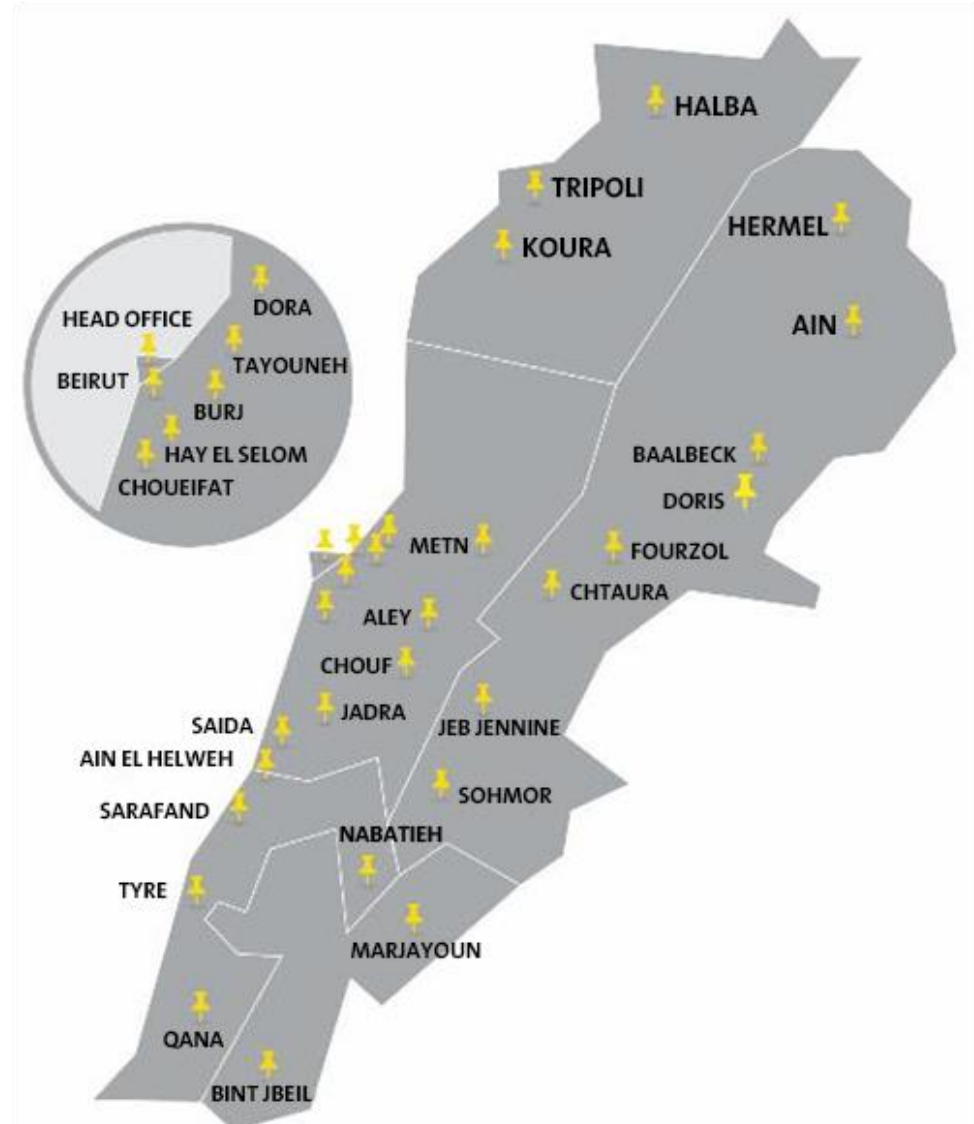
Respond to the needs of borrowers, whether to support their businesses or meet their and their families' living and social needs.

NFS Services developed to answer the crisis

Online training and coaching, Crisis and risk management training curricula.

AL MAJMOUA'S BRANCHES

29 branches all over Lebanon



AL MAJMOUA OFFERS FINANCIAL SERVICES TO LOW-INCOME INDIVIDUALS

- Women & Men
- Entrepreneurs (Micro, Micro Plus, VSE)
- Workers with/out NSSF
- Home-based & Startup Businesses (GL)
- Employees in the Lebanese army, internal Security Forces & General Security

- Contractual employees with NGOs
- Cooperatives
- Unemployed (income earner)
- Vulnerable Populations (Refugees, Palestinians, Poverty Pockets, Disabled... Etc.)



معاً ننمو

القرض الجماعي

GROUP LOAN (LBP)

www.almajmoua.org

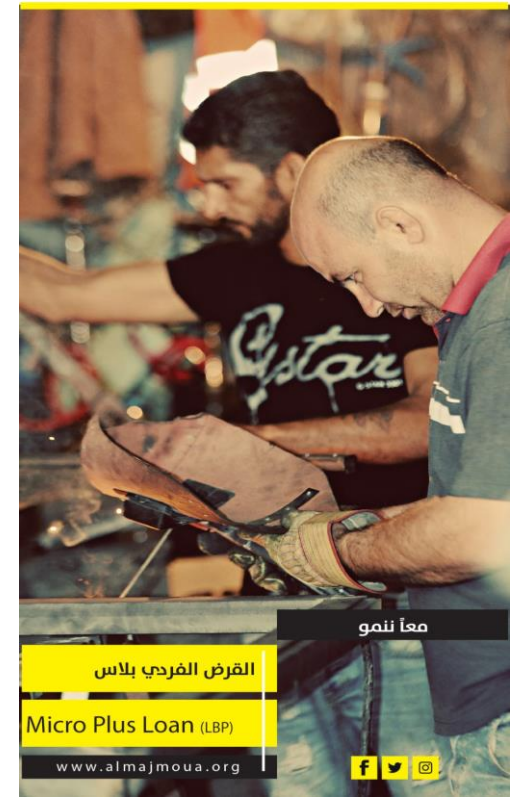


معاً ننمو

القرض الفردي الصغير

Micro Loan (LBP)

www.almajmoua.org



معاً ننمو

القرض الفردي بلاس

Micro Plus Loan (LBP)

www.almajmoua.org



CLIENTS' GEOGRAPHIC & SECTOR DISTRIBUTION

CLIENTS' GEOGRAPHIC DISTRIBUTION

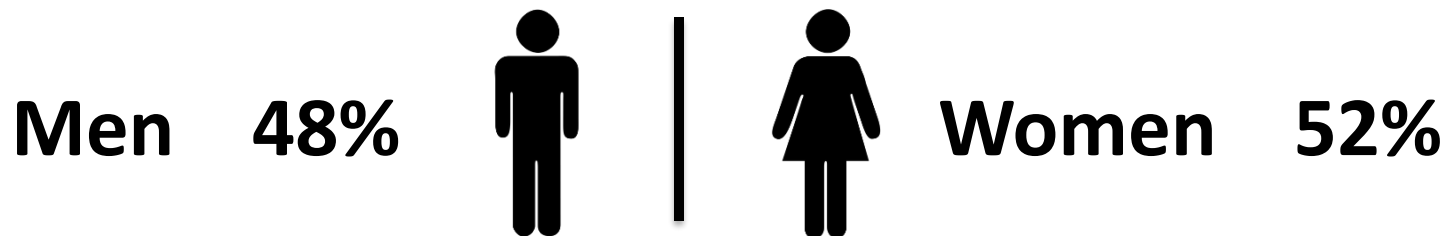


CLIENTS' SECTOR DISTRIBUTION

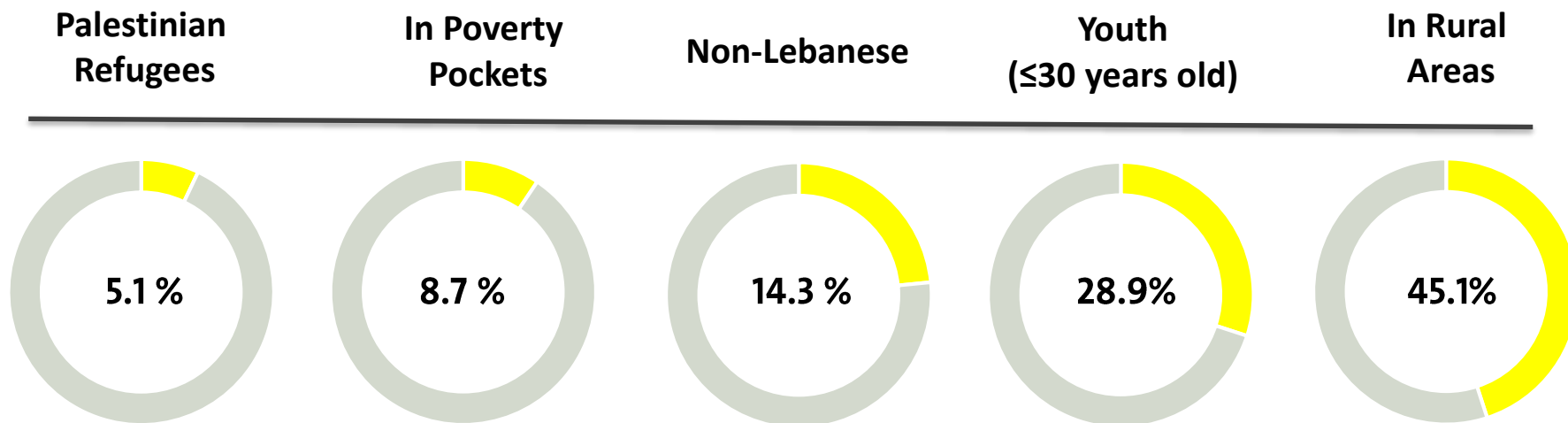


GUIDED BY A STRONG SOCIAL MISSION

CLIENT GENDER DISTRIBUTION



VULNERABLE CLIENTS' SEGMENTS



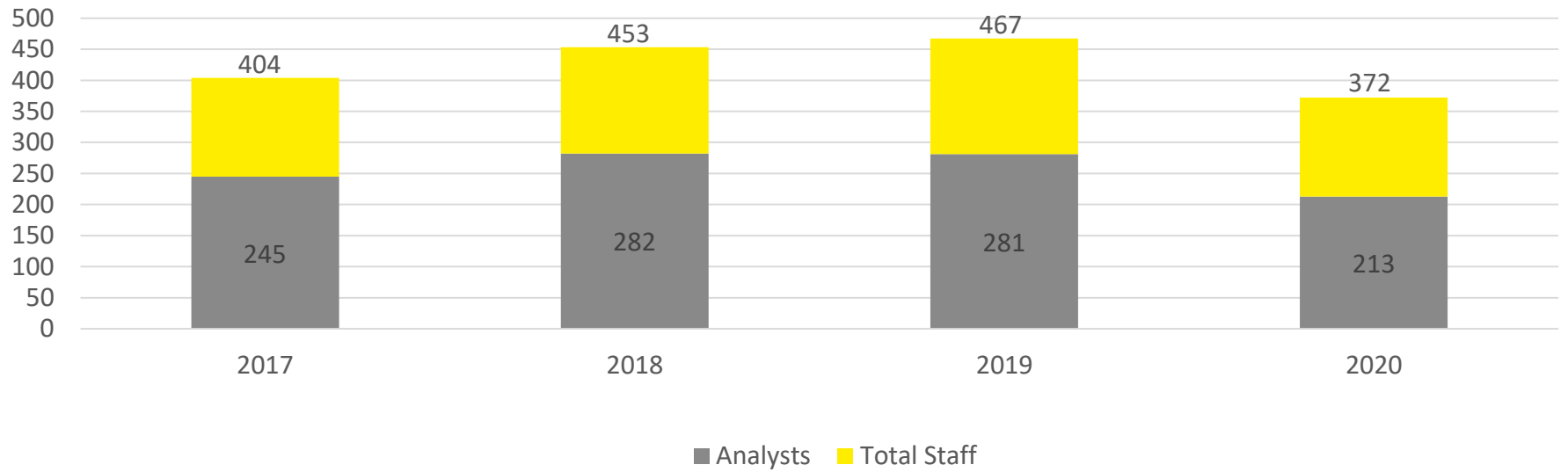
Non-Lebanese include : **Syrians: 41% - Palestinians: 47% - Filipinos: 8% - Other: 4%**

63% OF OUR CLIENTS ARE ENTREPRENEURS

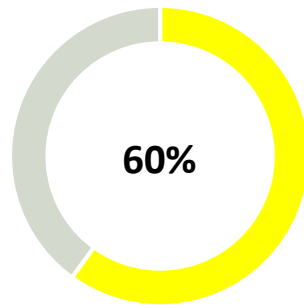
HUMAN CAPITAL DEVELOPMENT



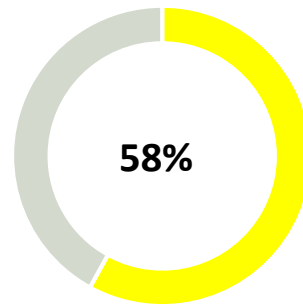
TOTAL NUMBER OF EMPLOYEES



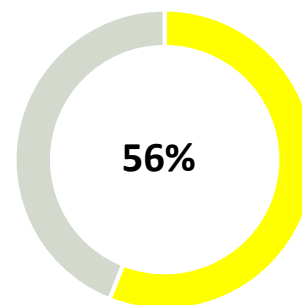
EQUAL EMPLOYMENT OPPORTUNITY



Employees



Loan Analysts

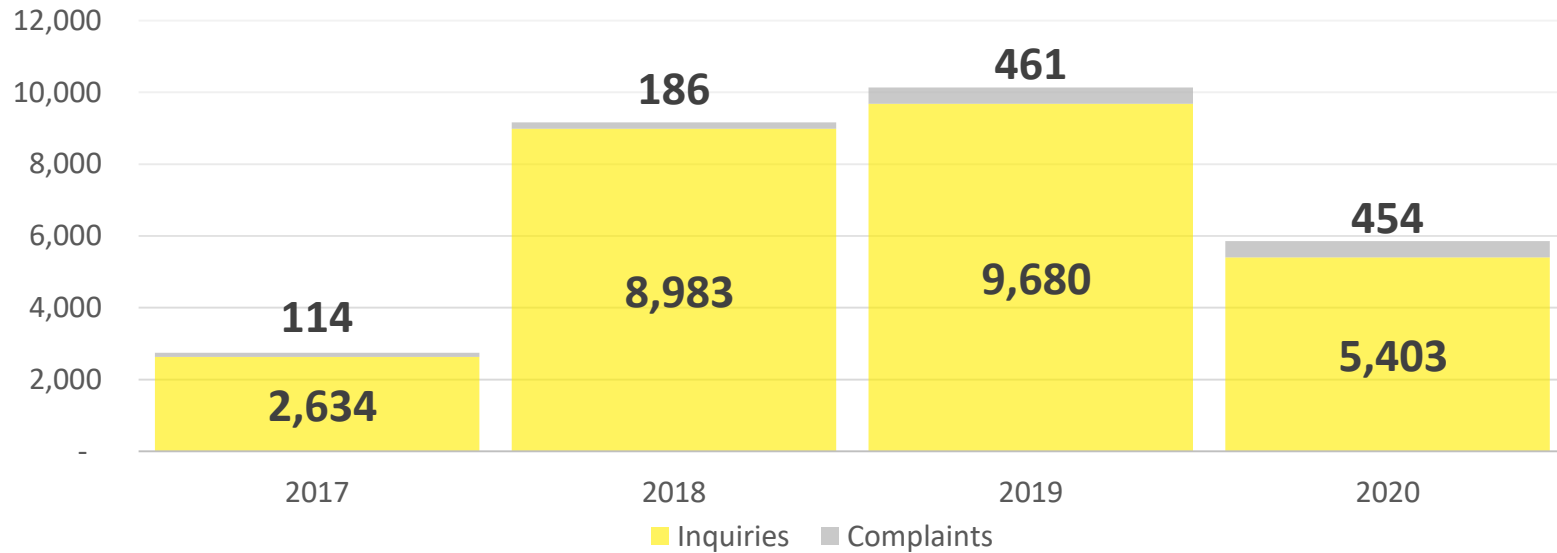


Senior & Middle
Managers

AL MAJMOUA'S CUSTOMER CARE UNIT



CUSTOMER CARE HOTLINE



LISTENING TO OUR CLIENTS - HIGHLIGHTS OF 2020

January 2020: Filipino Crisis Survey

Conducted surveys with 100 Filipinas to know how to better serve them especially after the USD crisis.

March 2020: Client Satisfaction Survey

Conducted surveys with Active clients to better understand their needs and rate their level of satisfaction towards Al Majmoua's services.

August 2020: Exit Survey

Conducted surveys with Exit clients to understand the main reason behind not renewing their loans.

SOCIO ECONOMIC EMPOWERMENT



AL MAJMOUA OFFERS NON-FINANCIAL SERVICES FOCUSING ON MICRO ENTREPRENEURS, WOMEN & YOUTH

NFS Beneficiaries

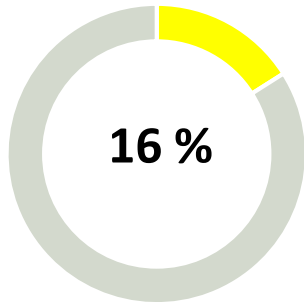
Highlights of 2020

1,783

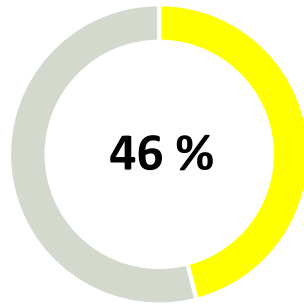
- 26% benefited from Business Management Trainings
- 16% benefited from Mentoring and/or Coaching
- 10% benefited from provision of Toolkits and Equipment
- 19% benefited from Financial Education
- 4% benefited from provision of Cash Assistance
- 7% benefited from Product Quality, Marketing, and/or Market Study
- 19% of borrowers benefited from NFS
- 9% benefited from Technical Expertise
- 6% benefited from Legal Consultancy
- 7% benefited from Food Parcels
- 34% benefited from Personal Development and/or Soft Skills

2020 NFS BENEFICIARIES BY CATEGORY

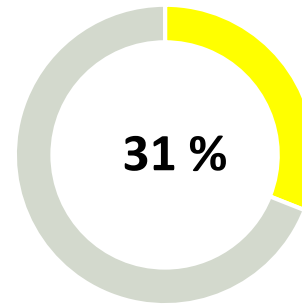
Refugees



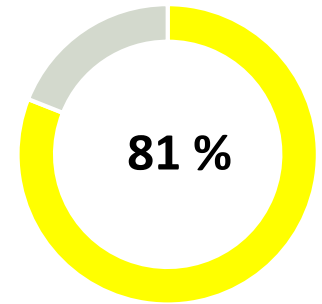
Women



Youth(≤ 30)



Non-Borrowers



2020 NFS BENEFICIARIES BY SOCIAL TOPIC

% of beneficiaries from
NFS who received
capacity development
(includes Personal
Development, individual
business coaching and
mentoring)

95 %

% of beneficiaries
from NFS who
were granted **cash
or in-Kind**

11 %

% of beneficiaries
from NFS
who received
**technical & legal
assistance**

15 %

SOCIAL PERFORMANCE MANAGEMENT (SPM)



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Social Performance Management (SPM) is the institutionalized process of effectively translating a microfinance institution's social mission into practice. Therefore, the introduction and implementation of a SPM system refocuses MFIs on their initial reason for existence: the client.

Since its launch in June 2012, Al Majmoua's SPM Committee has completed a variety of tasks that supported the improvement of Al Majmoua's activities & solidified its commitment to SPM.

Al Majmoua pursues double bottom line and its organization has the potential to change the lives of its clients in Lebanon.

Al Majmoua demonstrates strong commitment on SPM with the formulation of deliberate strategy to define and monitor social goals. Al Majmoua can become a benchmark for its peers in the region given the client-centered distribution model serving low-income population even in rural areas.

UNIVERSAL STANDARDS



Al Majmoua conducted in 2015 an accompanied self-assessment with a validated SPI-4 auditor. The above results show that Al Majmoua's SPM practices are "strong" (mark range between 0 and 100).

SMART CERTIFICATION

The Smart Campaign, an international microfinance advocacy initiative launched in October 2009, seeks to unite microfinance providers worldwide to ensure that microfinance clients are treated fairly and responsibly and do not become over-indebted.

The Campaign's mission is to promote six pro-consumer principles:

1. Avoidance of Over-indebtedness
2. Transparent Pricing
3. Appropriate Collections Practices
4. Ethical Staff Behavior
5. Mechanisms For Redress of Grievances
6. Privacy of Client Data

In December 2019, Al Majmoua earned the SMART CERTIFICATION, showing once again its commitment towards providing a distinguished service to borrowers and treating them with fairness and respect.



Receiving Foundation Ghazal's “Conflict Prevention and Peace in Lebanon 2020” Award

Al Majmoua received this prize for its outstanding support in the rehabilitation and recovery of micro, small and medium enterprises affected by the 4th of August Beirut Port explosions. It also celebrated Al Majmoua's positive action in terms of socio-economic development and financial inclusion, over the past 20 years, in providing financial and non-financial services to entrepreneurs across Lebanon.



TIMELINE OF ACTIVITIES 2020



2020 ACTIVITIES AT A GLANCE

- Launched emergency loans in LBP
- Collaborated with Liban Post for cash collection or payment
- Signed new partnerships:
 - Save the Children
 - International Rescue Committee- KFW
 - LIFE E-Platform
 - Netherlands Embassy
 - Mercy Corps
 - CESVI
 - Fondation De France
 - Impact Lebanon
 - ALEB
 - EU - Madad
- Participated in cleaning the area and referring vulnerable clients affected by Beirut's Port Explosion to local/international organizations for food delivery, medical assistance, shelter and psycho-social support.
- Provided cash assistance to MSMEs affected by Beirut's Port Explosion.
- Delivered individual business coaching to affected MSMEs and helped them develop their recovery business plan.
- Fundraised to implement an in-kind grant and a cash-for-work program to support MSMEs and cooperatives all over Lebanon to cope with COVID-19.

2020 NFS ACTIVITIES AT A GLANCE

- Provided business management trainings in topics of entrepreneurship, marketing, basic accounting and bookkeeping, pricing, costing and selling skills
- Provided financial education for household budgeting, financial negotiation, financial services, savings and debt management
- Provided PPE kits
- Provided individual business coaching & business planning
- Provided mentorships
- Provided technical assistance on marketing and legal consultancy
- Provided awareness on decent work and COVID-19 pandemic
- Provided cash assistance to MSMEs affected by Beirut's Blast
- Provided food parcels

www.almajmoua.org