

Communication on Engagement (COE)

Period covered by this Communication on Engagement:

From: April 2022 to April 2024

Participant: Al Majmoua (<http://www.almajmoua.org/>)

Part I: Statement of Continued Support by the Executive Director



AL MAJMOUA
المجموعة

8th of April 2024

Secretary General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary - General,

I am pleased to confirm that The Lebanese Association for Development, Al Majmoua reaffirms its support to the United Nations Global Compact and its ten principles in the areas of human rights, labor, environment and anti-corruption.

This is our Communication on Engagement with the UN Global Compact. We welcome feedback on its content.

In our COE, we describe the actions that our organization has taken to support the UN Global Compact and its principles.

Sincerely yours,

Dr. Youssef Fawaz
Executive Director



AL MAJMOUA
المجموعة

Part II: Description of Actions

One of Al Majmoua's mission is to alleviate poverty by improving the economic conditions and livelihoods of its beneficiaries. Access to financial services can reduce poverty and its effects in multiple concrete ways, help the poor access schooling and health care, provide immediate income transfers or relief to survive, and allow for greater control over financial resources.

Al Majmoua is committed to following international best practices in microfinance. It endorsed industry initiatives like the **Smart Campaign** (<http://www.smartcampaign.org/>) for client protection and **MFTransparency** (<http://www.mftransparency.org/>) for pricing integrity and transparency.

Al Majmoua is a member of the Social Performance Task Force (<http://sptf.info>) and works on continuously improving its **Social Performance Management** practices by aligning policies and procedures with responsible business practices.

Al Majmoua undergoes assessments and ratings conducted by external organizations and has obtained in the past many recognitions and certifications that acknowledge its compliance and achievements.

Al Majmoua has committed itself to **gender diversity and women's leadership** by implementing actions at all levels of the organization towards attracting, developing, training, mentoring and retaining the next generation of our women leaders. Part time and flexible hours' policies allowed us to attract and retain top executives and offered our young staff the opportunity to pursue their education. Getting more women on senior management positions have meant more female role models and an encouragement to other women in the organization who see their seniors being promoted.

Al Majmoua committed itself to **environmental sustainability** by collaborating with a Lebanese NGO "L'Ecoute", having started sorting and recycling papers, plastic, cans and electronic waste since 2013.

Al Majmoua has implemented an **exclusion list** where it carefully looks if harmful child labor could be involved. Equally excluded are projects likely to pose a threat to children or to interfere with the child's education and health as well as the physical, mental, moral and/or social development. Al Majmoua rejects any project that uses cutting trees or any forest product in a manner that threatens its sustainability and existence, as well as projects that cause marine pollution due to hazardous waste.

Part III: Measurements of Outcomes

In a complex context of financial services and social development in Lebanon since 2019, Al Majmoua has consistently demonstrated its commitment to promoting sustainability, gender equality and championing social responsibility. During the period 2022 to December 2023, Al Majmoua, has made significant progress in many aspects of its operations, reflecting its commitment and positive impact on both the community and the environment.

At the heart of Al Majmoua's initiatives is a firm commitment to empowering women and promoting gender equality. Throughout 2022 and 2023, Al Majmoua continues to prioritizing supporting women in its workforce, with the proportion of women among employees increasing from 59% to 60%. Furthermore, Al Majmoua has sought to ensure good representation of women in its management team, with 60% of senior management positions held by women by 2023. This commitment to gender diversity not only reflects Al Majmoua's values but also helps create a more inclusive and equitable work environment.

In keeping with its mission to serve the community and respond to pressing social issues, Al Majmoua has actively participated in initiatives promoting social responsibility and humanitarian assistance. A notable achievement during this period was Al Majmoua's endorsement of the Charter4Change (C4C) initiative, which aims to transform the humanitarian system to enable local and international NGOs to participate in a greater role in humanitarian response activities. Furthermore, the organization joined Lebanon's Protection from Sexual Exploitation and Abuse (PSEA) Network, reaffirming its commitment to protecting individuals from sexual exploitation and abuse. All Al Majmoua employees have registered for a mandatory online course on PSEA and have submitted their certificates. In parallel, they also underwent internal training on child protection and PSEA policies, signing relevant policies as a formal means of confirming their commitment. Al Majmoua also reported on its social performance management through the SPI-CERISE-SPM platform. Complementing its commitment to the Client Protection Pathway, the CP commitment is an approved client protection assessment, allowing Al Majmoua to be active on the Client Protection Pathway Platform.

In November 2021, Al Majmoua started the implementation of the B5 Project, a proactive initiative to support small and medium enterprises (SMEs) affected by the Beirut blast. In collaboration with Kafalat (<https://www.kafalatb5.com>) and with funding from the WorldBank, Al Majmoua has provided critical support to businesses located within a 2.8 km radius of the August 2020 Beirut Port blast site. The main objective of the project was to provide grants to the affected businesses, thereby facilitating their recovery and reconstruction efforts. During the project, Al Majmoua and Kafalat approved 852 beneficiaries for grants amounting to \$2,435,233, with an average grant of \$2,862 per beneficiary. As of December 2023, a significant portion of these grants were disbursed, reaching a total of \$1,990,457 and supporting 737 SMEs in their recovery journey. Notably, 240 beneficiaries were female (28.16% of the total), highlighting Al Majmoua's commitment to gender diversity and inclusion in its initiatives. Through its proactive stance and tangible achievements, Al Majmoua's participation in the B5 project demonstrates its commitment to supporting small and medium-sized enterprises and promoting economic resilience following the Beirut blast.

In addition, Al Majmoua has implemented environmentally friendly practices in its administrative operations, including waste classification and recycling initiatives. Thanks to cooperation with "L'Ecoute", an organization for the deaf, Al Majmoua recycles the materials collected from its offices and exchanges them with other NGOs to obtain raw materials necessary for the production of hearing aids. This innovative approach not only promotes environmental sustainability but also supports people with special needs by providing employment opportunities and access to essential services. To

further strengthen its commitment to sustainability, Al Majmoua has adopted environmentally friendly practices at its headquarters and branches, such as using LED lights, recycled tissue and toilet paper as well as energy-efficient air conditioners. Additionally, the organization installed solar power systems in nine branches by 2023. These initiatives represent important steps towards reducing Al Majmoua's overall environmental impact and promoting sustainable practices across its operations.

During this two-year period, a total of 14,249 beneficiaries benefited from Al Majmoua's non-financial services. 7,205 were women, marking 51% of the total. Reflecting Al Majmoua's commitment to gender inclusion and empowerment in its programs. Additionally, 3,197 beneficiaries were classified as youth, resembling 22% of the total number of beneficiaries. This demonstrates the organization's commitment to engage and support youth in accessing essential non-financial services that promote their socio-economic development and economic empowerment.

Al Majmoua was involved in several projects across Lebanon, each aimed at addressing specific socio-economic challenges and fostering inclusive development. The Women's Economic Development (WED) Project, funded by the State of the Netherlands and implemented in Bekaa and South Mount Lebanon, sought to strengthen the capacities of host community and refugee women entrepreneurs. In Beirut blast affected areas, the World Food Programme (WFP) Project focused on enhancing the resilience of MSMEs and improving food security. The FORSA II Project, supported by the Ministry of Foreign Affairs of the Netherlands, targeted women and youth in Bekaa and South, facilitating access to education and employment. The LINKED-EU Project, spanning Mount Lebanon, North Lebanon, Akkar, and Bekaa, aimed to contribute to sustainable economic development, with partners including DRC, OXFAM, and MERCY CORPS. Additionally, initiatives like LINKED-SPS, EUROFINs, UNDP, CHASE, PROSPECTS, SAFER, and STAND focused on various aspects of economic recovery, empowerment, and resilience across different regions in Lebanon. However, the BASATINE Project, supported by the Agence Française de Développement (AFD) and implemented in Bekaa and Akkar, played a crucial role in sustaining the capacity of Lebanese agriculture to produce food for the local market and create jobs, particularly aiming to prevent tensions between host communities and Syrian refugees. Through collaborations with CARE, MERCY CORPS, BERYTECH, GNFF, and LOST, the BASATINE Project worked to enhance the livelihoods of farmers and agriculture workers, promoting sustainable and resilient food systems in Lebanon.

Al Majmoua's loan disbursement services are fundamental to community empowerment and economic development. During the reported period, Al Majmoua served 26,574 customers, with a major focus on gender equality, nearly half of whom were women (13,513). This service also significantly reaches youth, with 7,959 customers aged 30 and under, a rate of 29.95%. Impressively, Al Majmoua disbursed \$10,642,734, ensuring equitable distribution, with 44.49% of the funds going to female customers. Projects received significant support, with \$7,322,924 paid to 16,408 entrepreneurs, highlighting the organization's commitment to promoting economic growth and innovation. Essentially, Al Majmoua Loan Disbursement Services not only provides financial support but also champions gender equality, youth empowerment and entrepreneurship, thereby promoting socio-economic progress in Lebanon.

In addition to its commitment to sustainability and social responsibility, Al Majmoua has diversified its product offerings to cater to the diverse needs of its clientele. Among these offerings are the IL-Agri Loan (USD) products, including the IL-Agri Loan (USD) - BASATINE, which aims to support farmers in accessing financial services to enhance Lebanon's agricultural capacity for food production, job creation, and social cohesion. Similarly, the IL-Agri Seasonal Loan (USD) - ILO targets financing for farmers and agricultural workers to support their projects, whether through purchasing multi-extension plastic houses or other commercial investments to increase productivity and maintain or expand their agricultural businesses. Additionally, the IL-Agri Loan (USD) - ARE focuses on supporting food security in Lebanon by increasing farmers' income and the supply of high-quality crops at reasonable prices for the local market, achieved through improving production yields and costs via purchasing modern multi-extension agricultural halls,

alongside training in sustainable and renewable farming practices. Furthermore, Al Majmoua offered the IL-Subsidized Loan - CORUS, specifically designed to support small project owners, particularly women and youth, aiming to sustain their businesses during economic crises by ensuring interest-free access to finance and enhancing their financial and managerial skills through financial education training.

Moreover, the institution developed the IL-Green Energy Loan (USD), addressing borrowers' needs for renewable energy generation, clean transportation usage, and energy conservation, thereby improving individuals' living standards and promoting societal transformation towards environmentally friendly systems and tools.

Additionally, Al Majmoua offers the GL-NANO Loan (USD) to meet the financial needs of income earners in Lebanese pounds, supporting their projects or meeting their livelihood and social needs. Lastly, the institution provides the IL-Micro Loan (USD) and the GL-Group Loan (USD), catering to borrowers' financial needs for projects or livelihood and social requirements, ensuring accessibility to finance for individuals and families. Through this comprehensive range of loan products, Al Majmoua continues to empower individuals and communities while promoting sustainable development and social inclusion.

In conclusion, the period of 2022 to 2023 has been marked by significant achievements in sustainability and social responsibility at Al Majmoua. Through its commitment to gender equality, participation in humanitarian initiatives, and implementation of eco-friendly practices, the institution has demonstrated its dedication to making a positive impact on society and the environment. Looking ahead, Al Majmoua remains steadfast in its mission to empower individuals, support communities, and promote sustainable development in Lebanon.