

Project: **Credit Access for War-Recovering Lebanese**

Project Summary

Establish revolving credit funds run by 4 community-based Lebanese organizations, providing loans for small enterprises, often household-based, to help poor families in war recovery and self help.

Project Need and Beneficiaries

Torn apart by last summer's war and unemployment over 40%, credit is needed for projects too small and insecure to attract usual financial institutions. Unmet capital needs of poor create lost opportunities, marginalized economic participation, and poverty. With credit, poor families can harness existing skills and resources to meet their immediate needs and create future prospects.

Project Activities

Provide seed money, coaching and technical assistance on fundamentals like credit policies and procedures, client/business selection, bookkeeping, financial management; establish grassroots, sustainable microfinance institutions.

Potential Long-Term Impact

Creation of many revolving credit funds run independently by local nongovernmental organizations serving the entire country. Strengthening their ability to help people enhance their incomes and participate in rebuilding their country.

1. ***[accomplished] Screening and Selection of CBOs:*** A number of Lebanese CBOs were invited to attend an intense six-day training on how to design, manage and strengthen community-based credit funds. Selection criteria were developed jointly by NEF and its partners, matching program objectives and goals.
2. ***[accomplished] Training Modules:*** NEF micro-credit specialists tailored training modules on how to design, manage and strengthen community-based credit funds. Emphasis was on helping young entrepreneurs with a fresh start (or restart) in the post-war period and their acquiring the knowledge and skills necessary to earn a better living and lead a better life.
3. ***[accomplished] Training Workshop:*** An intense six-days training was conducted for participant CBOs on the design/management/strengthening of community-based credit funds. Topics included such fundamentals as credit policies and procedures, client and business selection, bookkeeping and financial management. Guest speakers from five community-based credit funds were invited to talk about their 10 years of success in credit funds. NEF micro-credit specialists conducted the training with the support of its partners.
4. ***Field Assessment:*** Field-based institutional performance/needs assessment will follow for each of the participant CBOs, using standardized processes developed and tested by NEF in the region.. This will take place during the next two months.
5. ***Selection:*** CBOs that show interest, commitment and proven capability to run such credit funds will be selected to join the program after the field assessment.

6. **Fundraising:** NEF and its partners will seek funds to provide seed money to finalist CBOs -- including required matching funds by the finalists. NEF and its partners suggest raising funds for 4 CBOs (seed money), on average US\$15,000 for each, with matching funds of US\$10,000 on average by each CBO.
7. **Coaching and Technical Assistance:** Field-based technical assistance on how to design, build and manage the credit fund will follow, conducted by NEF and its local partners, divided into three phases:
 - a. Field coaching on the design of the credit fund, the application process, and basic accounting. (4 days of field coaching for 4 participant CBOs.)
 - b. Field coaching on the design of the financial system and the monitoring and evaluation system. (4 days of field coaching for 4 participant CBOs.)
 - c. Problem solving and adaptation/revision of the credit fund. (3 days of field coaching for 4 participant CBOs.)
8. **Evaluation and Transfer of Ownership:** A mid-year and one year evaluation will be conducted before a CBO takes full ownership and management of the credit fund. (3 days of field evaluation for 4 participant CBOs.)

**Suggested Preliminary Budget
Seed Funds, Coaching and Technical Assistance
(4 participant CBOs)**

Activities	Cost	Notes
Design of the credit fund, the application process, and basic accounting.	\$5,600	4 days of field coaching x 2 trainers
Design of the financial system and the monitoring and evaluation system.	\$4,200	4 days of field coaching x 1 trainer
Problem solving and adaptation/revision of the credit fund.	\$4,200	4 days of field coaching x 1 trainer
Seed funds to encourage local participation.	\$15,000	
Total:	\$29,000	