



Grégoire Haddad

– A long journey full of lesson

He has designed magazines' cover pages in the mid seventies of the late century. He has instilled a new spirit to the social action in Lebanon. The AEP staff and volunteers know him undoubtedly well because of the key role he played in the creation of the association. Monseigneur Grégoire Haddad, "Père Grégoire" for friends, was honored publicly last November for the publication of a biography that chronicles his rich personal and religious journey. Urged on by Père Grégoire, thanks to his tireless efforts, his overflowing dynamism and his initiative spirit, the social work concept itself took an unusual dimension, drawing its source in the Lebanese realities. Complex realities, marked by a combination of parameters specific to Lebanon, but that have had constantly a centripetal effect in terms of social behavior. First of all, the community divisions go very far back in the history of the Cedar Country and are very deeply embedded in the social Lebanese matrix. Therefore, they emerge at different

levels and virtually, in almost all areas of the daily life of the Lebanese.

Besides these religious barriers, there are regional, tribal and familial allegiances just as profound and to which are added serious gaps of socio-economical development between the "center" of the country, namely Great Beirut and Mount Lebanon on one hand, and the "periphery" on the other.

The approach of Père Grégoire started in this context in the early sixties. Surrounding himself from the beginning with a multi-community team, the founder of the Mouvement Social sought to undermine the vertical barriers and shake consciences to launch a social action of a humanistic character. The objective was to **develop the whole man and every man**. To develop **the whole man** implies surpassing the narrow and reductive approach of the social work, which is simply charitable, whereas it should aim to develop the individual within the varied educational, cultural, psychological dimensions etc...

To develop **every man** leads to include the social action in the framework of a "global and integrated development" of the peripheral regions.

The merit of Père Grégoire is to have succeeded in mobilizing hundreds of young people of different horizons, diverse socio-economical backgrounds, and of all faiths and regions in a citizen movement. This movement aims to commits them to a social action that allows them to meet the other. The significance of such an approach - yet another undeniable merit of the action initiated by Père Grégoire - is that these

young people's contribution was made in a completely voluntarism spirit.

An even more praiseworthy voluntarism, since the executed projects were never limited in time, but extended more often than not over many months. This required the volunteers to be perseverant and continuously committed.

In parallel to this dimension given to the social work, Père Grégoire succeeded, just before the Lebanese war, to mobilize what is currently known in modern terms as **the civil society**, mainly of young people – once more – in favor of creating parochial councils within the Greek - Catholic diocese of Beirut and Byblos of which he was the archbishop until 1975. These parochial councils intended, in the spirit of the Second Vatican Assembly, to involve the laics in the life and administration of their parish.

In a way, the mobilization of the civil society initiated by Père Grégoire within the parochial councils was complementary to the social work and the citizenly direction that implicated for years hundreds of young volunteers from different educational backgrounds.

In this perspective, the long journey of Père Grégoire represents undeniably an experience full of lessons for the upcoming generations. An experience that is certainly familiar today to the volunteers and the personnel of the AEP.

 **Michel Touma**

The Lebanese Economy in 2012 - 2013

Loads of crisis

- **2012 has been a difficult year for the Lebanese economy. 2013 isn't off to a better start itself. The reasons for this deterioration are many, and are linked to the political internal and regional context as well as to the local and regional investors' reluctance to invest or even visit the country, in addition to the cyclic technical adjustments and the intense restructuring of numerous traditional activities. The consequences of the electoral year, where politics prevail over economy only make things worse.**



› Roger Melki

Until 2010, the economical activity in Lebanon was remarkably stable. The real growth rates were between 7.5 and 9% from 2007 until 2010.

The situation changed starting 2011. The estimations of the international institutions placed the growth rates around 3%. As for 2012, the final number

shouldn't exceed 2% and there's no light in the horizon for 2013.

	2012	2011	2010	2009	2008	2007
› Real growth rate (%)	2.0%	1.5%	7.0%	8.5%	9.3%	7.5%
› GDP (millions USD)	41,800	39,000	37,100	34,700	30,100	25,100
› Index of the prices' increase	6.8%	6.2%	4.6%	3.4%	5.5%	8.5%

For two years, the traditional sectors at the basis of the Lebanese economical dynamism, namely construction and tourism, are threatened. Thus, the areas with construction permits which had

increased of 40% in 2010, dropped by 7% in 2011, and by 11% in 2012. The tourism sector witnessed an even more dramatic plunge with a total of 1 366 000 tourists in 2012, compared to almost 2.2 millions in 2010;

that is a cumulated fall of roughly 38% over two years. The average booking rate turns from 68% in 2010 to 52% in 2012.

	2012	2011	2010	2009	2008	2007
› Construction permit (000 m ²)	14,678	16,465	17,625	14,343	16,067	9,038
› Tourist number (000s)	1,366	1,655	2,168	1,850	1,333	1,017
› Hotels booking rate	54.0%	58.0%	68.0%	73.0%	57.0%	38.0%

For the banking sector, another traditional pillar of growth in Lebanon, there is no decrease; however, a hold up with a 7% increase of the assets compared to double digits increases in the previous years.

The external financial flows were also reversed with a payment balance showing a deficit for the past couple of years (2 and 1.5 billion dollars respectively), compared to the surplus of 7.9 billion dollars in 2009 and of 3.3 billion dollars in 2010.

	2012	2011	2010	2009	2008	2007
› Balance of payments (millions USD)	(1,537)	(1,996)	3,325	7,899	714	2,037

As for the international exchanges of the country, the disparities amplified with a commercial balance deficit reaching 17 billion dollars at the end of 2012, that is twice the level reached five years ago.

	2012	2011	2010	2009	2008	2007
> Exportations (millions USD)	4,483	4,265	4,253	3,484	3,478	2,816
> Importations (millions USD)	(21,280)	(20,158)	(17,963)	(16,241)	(16,137)	(11,815)
> Deficit (millions USD)	(16,797)	(15,893)	(13,710)	(12,755)	(12,657)	(8,999)
> Coverage ratio (exports/imports)	21.1%	21.2%	23.7%	21.5%	21.6%	23.8%

The public accounts are depreciating dangerously as well. A primary deficit is expected in 2012; it is the first since 2002. The revenues are at halt as a result of the crisis, the decrease of the gasoline tax, the cancellation of the fuel oil VAT, and the decline of cars' importation. Contrarily, the public costs are increasing with the rise deficit of the EDL, more than two billion dollars in 2012, the growth of the wage mass and the risks of the increase of the debt servicing.

	2012	2011	2010	2009	2008	2007
> Revenues total (millions USD)	9,396	9,334	8,414	8,428	7,000	5,806
> Expenses total (millions USD)	13,321	11,675	11,308	11,388	9,922	8,352
> Tax deficit (millions USD)	(3,925)	(2,341)	(2,894)	(2,960)	(2,922)	(2,547)
> Public debt (millions USD)	57,700	53,600	52,600	51,094	47,014	42,033
> Primary surplus (millions USD)	(110)	1,661	1,231	1,078	597	731

What are the perspectives for 2013?

The first months of the 2013 financial year do not anticipate any short term improvement. Sure enough, in addition to the political and security tensions came the social tensions with strikes and untimely disruptions of work particularly in the public schools and administrations. The Arab tourists' boycott has worsened and the transit of the Lebanese exportations through the Syrian territory is becoming more and more difficult and costly. The Bank of Lebanon has taken some measures to facilitate the loans in the real estate sector, however, the stocks are piling up and the demand is very weak.

In the tourism sector the booking rates are decreasing and the billing average is falling. The excesses of the most difficult public dossiers are multiplying. The EDL deficits, the excessively generous salaries'

adjustments, the augmentation of the health bill, the deficiency of the infrastructure investments... worry the economical agents.

The bad public governance remains one of the worst points of the national economy. For many, the depression is on the doorstep and threatens to affect deeply the Lebanese economy, and it would be extremely hard to return to growth, considering the internal and regional political context. In fact, only a growth return would spare Lebanon the crisis, however, the outlooks are oriented towards a downfall.

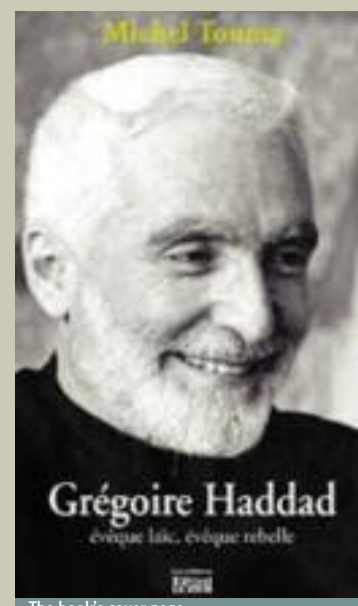
 **Roger Melki**

Member of the Administration Council

AEP Briefs

Grégoire Haddad, a secular bishop, a rebellious bishop

It's the title of the book published by the Orient le-Jour publishing house, written by Michel Touma. The signature took place during the Salon du Livre following a round table about the life of Monseigneur Haddad in his presence. Special thanks were addressed to the AEP.



> The book's cover page



› Nicolas Sbeih

The weak link

The entire universe of commerce knows very well that the commercialization of the products in Lebanon is a real constant headache. Manufacturers, craftsmen, importers... all complain of the same problems: tardiness of the payments, significant outstanding payments, exhausting formalities, expensive brokers – when they are honest. The small producers, like the AEP's, are obviously more vulnerable. To begin with, they don't all have the commercial and marketing knowhow. They have neither the connections nor the means to distribute their products where they should. They concentrate all their efforts on the production – this is what they know – and neglect the commercialization. They believe that their products only need to be good to be sold easily. They are disappointed when their expectations are not fulfilled.

Networks and connections

Could the AEP, that has already helped all of these small entrepreneurs to establish their production mechanism, still make an effort to improve commercialization? This is being studied at the moment. The spontaneous answer is that a small help is possible and desirable. In a subsequent phase, it is possible to create a "Commercial Branch" within the AEP. Let us try to see how this commercial support could be launched:

- The members of the AEP have already suggested during the last general assembly to represent the products of the beneficiaries in the Association's premises. This has been done in the past with good results – the chocolate were sold well. With a small effort of social relations, the same products and others could also be sold there, in limited quantities.

Go to the end of the professional support

The producers supported by the AEP through its micro-funds have an elevated success rate, particularly because of a proper pre-selection of the candidates and the professional councils or the training they are offered. This doesn't mean that everything always goes smoothly and that the businesses of the beneficiaries are magically transformed into a long clear river.

- The next step would be to suggest these items in stores. Here also, the connections of the AEP members should be profited from. They should find friends or friends of friends... who have a vending point and who would accept to limit their profit margin to maintain the competitiveness of the product on the market.

- On a higher level, the commercialization agreements could be made with a chain of stores or supermarkets. Unlike the preconceived ideas, they are not all greedy materialists solely concerned with their level of profit. Some associations have already succeeded in obtaining a decent distribution of their products via this means. L'IRAP is a successful example.

- Whatever the commercialization niche is, there is always a way to find partners or external support. The European Union, the USAID and other fund backers can help not only through a financial support, but also with connection and knowhow. It goes without saying that Emmaus could also be beneficiary here.

- Some specialized local associations could join this project. We are for example thinking of "Fair trade Lebanon", a Lebanese branch of the worldwide movement "Fair Trade." the concept behind this movement is that we must pay the small producers of the Third World a good price for their products, even if it means selling them a little more expensive than a competing industrial product, betting on the fact that some consumers are willing to make this financial effort. The label "Fair Trade" glued on the product guarantees the authenticity of this fair trade.

- No matter what are the means of commercialization and marketing used,

the brokers should be avoided in any case, called wholesalers, semi-wholesalers or cash-vans... Their profit margin is too big (since they have many expenses,) and they are not particularly interested in selling the AEP products, unless the person in question is personally interested in the cause...

All these topics and many more can be discussed between the members. Subsequently, a progressive action plan could be set up, depending on what is available.

✍ Nicolas Sbeih

AEP Briefs

— YMCA Competition- City Group

For the eighth year in a row, the AEP stood out once more at the best creditor of the year 2012, sponsored by the YMCA and the City Group foundation. Three beneficiaries have been rewarded.

- Nader El Houjeiry :
North Bekaa, IT
- Elias Bilal :
Tripoli, (handicapped person)
- Pierre El Hajj :
Saida (craftsman)



› The winners

Testimony



› Micheline Frem - Zahlé

When the sales are slow

› Micheline Frem • Zahlé

The beneficiary Micheline Frem, owner of a chocolate and candles store in Zahlé, is finding it hard to sell her merchandize because of the strong competition controlling this sector. Using the best chocolate, offering lower prices than the others and distinguishing her products with quality and presentation didn't do her any good, she still faced a low sales' rate.

The reason for all of this lays in the location of the shop situated on a main road, which is however, not frequented much. For that reason, she is considering to move to another neighborhood.

Emmaus International Briefs

- › The Emmaus International Councilors' reunion for the region of Asia was held in Lebanon on the AEP premises, from 12 till 17 February 2012. The meeting was mainly about the Mundial Assembly of 2013.
- › The Emmaus International's Global Assembly was held in Bayonne in France from 27 March until 7 April 2012. The AEP was represented by Claude Audi, Lena Sayad and Chady Rached. The Assembly stood out with its excellent organization. Jean Rousseau was reelected president.
The voted work bases for the next four years are:
 - The right for water for all - Education - Health - Ethical finance
 - The traffic of human beings
- › Lena Sayad was elected a member of the Administration Council to represent the AEP among the Councilors of Emmaus Asia.
- › Our Association received a donation of 200 000 Euros from Emmaus Montbéliard. This financing was invested in the loans' program for the Kiosk project in Tripoli.
- › Lena Sayad was part of the Administration Council of the Emmaus International movement from the 1st till the 7th of October 2012 at Dourdan in the suburb of Paris.
- › A Quadrennial work plan was formulated within the work axes adopted by the movement.

Cakes on a board

› Haidar el Atwé • Baalbek



› Haidar el Atwé - Baalbek

In his little place situated on Beshara El Khoury road in Baalbek, Haidar El Atwé makes oriental pastries and cakes. Married and with two kids, he suffers from a leg problem that makes it difficult for him to move. Haidar started his career in a cake shop where he was poorly paid. Thanks to his intelligence and resourcefulness, he learned the secrets of the trade and was able to open his own business in 2007. However, lacking the funds to develop his work, it didn't make any noticeable progress. In 2008 he was introduced to the Association; he received five thousand dollars that allowed him to buy new machinery and to update the décor of his shop. In 2011, he obtained another loan that he reserved for buying a car intended for clients' deliveries.

A shop and a working car, that's all Haidar needed to consider opening a new sales point on the Zahlé-Baalbek road!

AEP Briefs

Regional teams

This year, the reunion of the Regional Teams was held at Colibri Hotel in Baabdat. The administration Council, the Council of the Wise, and the members of the Regional Teams and the Executive Team were all present at the discussion lead by Mr. Wissam Ezzedine, representative of the Bank of Lebanon. The debate was about the potential project of a risk center for the micro finance institutions and the role it would have.

This reunion was marked by the testimonies of creditors from different regions.



› Regional teams' meeting

The AEP's chocolate :

Chocolate making and selling for Christmas were very successful this year. The AEP participated to the Exposition of Les Créneaux and the CCF, (the French cultural center) and a large amount of chocolate was sold in aid of the mothers who prepared the products. From this time forth, the AEP's chocolates, much appreciated, became a tradition during the festivities' period.



› Christmas' arrangement

Installation of vending Kiosks managed by handicapped beneficiaries in Tripoli

Description and goals of the project

- The project of the kiosks destined for persons suffering of a handicap was launched several years ago in the region of Tripoli. The idea consists in setting up kiosks intended for the neighborhood trade in strategic locations in the city as defined by the Municipality and in respect to the urban environment.

The kiosks are made out of high quality materials and are esthetically lovely. The electrical wiring and all the internal equipments are assumed by the AEP.

The Association has already installed nine kiosks in Tripoli and its surroundings. A rigorous follow-up has assured the quality of the execution. These small vending points sell beverages, newspapers, tickets, sandwiches or fresh juice all day long.

From the moment of its launch, this project has allowed the integration in the work market of many persons with difficult situations and has prompted benefits on every level:

- › Additional incomes for the city through the renting of the location.
- › Expansion of the city.
- › The creation of new jobs for the most disadvantaged.
- › Restitution of the self-confidence, of the autonomy and dignity of the handicapped person.
- › Integration of the beneficiaries in the economic and social circuit.
- › Registration of this project in time through its expansion in the North of Lebanon.

The funds donated by Emmaus Montbéliard with the contribution of the AEP will ensure the establishment of six new kiosks, each suitable for two active persons. The beneficiaries will be chosen by the AEP among the excluded and the neglected of the society. They will attend many training sessions that would allow them to manage better their vending point.



› Mohammad Ahmad El Haress - Tripoli

› Kiosk 1: Mohammad Ahmad El Haress

Mohammad, who lost the use of his feet and moves on a wheelchair, owns a small kiosk in Tripoli, in the swarming neighborhood of Tell in the old center of the city. Before the loan that funded the purchase of his kiosk, he was practically unemployed. Life was hard on him since he had a family and the small temporary jobs he found weren't enough for him to feed his family.

Currently, he sells cold and hot beverages to the passerby of this area crossed by fifty thousand people every day. His immediate surroundings – a taxi stop, a police station, and exchange shops – are now filled with familiar figures that could, if necessary, come for his help.

A slightly superior income would allow him to sell fresh juice and even chips. Mohammad's main problem is the security incidents shaking Tripoli constantly. The capital of North Lebanon is a transit place for people going to Akkar and the regions of Minieh and Dennyeh. Every time a gunshot is heard, the clients flee the neighborhood, although it is situated far from the battles.

During the last two years, Mohammad has improved his work tools, swapping his kiosk for a bigger newer one. This innovation was immediately reflected in his income which increased by 10%.



› Haytham el Omar - Tripoli

› Kiosk 2: Haytham el Omar

Like most of the handicapped people in Tripoli, Haytham had uncertain jobs before opening his kiosk twelve years ago.

His stand is situated in the Tell quarter, but in a different area than Mohammad's. Haytham sells DVDs, CDs and old cassettes on which he has registered Arabic and American series, films and music. By broadcasting music very loudly to attract the client's attention in the afternoon, he succeeded in giving life to this quarter, which was mainly active during the day.

Besides, the Municipality has given Haytham a spot big enough to contain all of his stock. He would like nevertheless, to have a bigger space to sell more items. However, the unstable situation gets in the way of his ambitions. After each fight, the eventual clients disappear for at last one week.

On the other hand, Haytham's income has increased by 15% with the enlargement of his kiosk. The problem remains that each security incident costs him a full week financially wise, since he suffers from the loss of clients during whole days, even weeks.



› Mounir Hamad - Tripoli

› Kiosk 3: Mounir Hamad

Mounir, also known as "Abu Mshrou'h" (maker of projects,) is middle aged man who used to sell coffee on Tripoli's central traffic circle. Having undergone an operation in the throat that left him with a speech deficiency, he received an aid as a handicapped person and got for his activity a bigger location on the intersection of two roads. This way, he was able to expand his offer with Espresso an instant coffee (Nescafé) what attracted new wealthier customers.

According to the people heading to Beirut, his kiosk is the best maintained the cleanest and the most appealing for a coffee break.

Mounir is the father of eleven children, of which three have joined him first part-time, then full time in view of the produced incomes. We must admit that they have brought some innovations themselves: now, they sell also cold and hot beverages, candies and cigarettes. Three other employees have joined the family to ensure a 24 hours service, seven days a week. It is the only kiosk in Tripoli open day and night.

The kiosk has been enlarged twice, and in each time the clients and the income increased. Currently, there is a space in the back to stock the equipments. However, since there is no more possibility to expand his point, which reached its maximum size, Mounir has made a partnership with another establishment in Tripoli to which he supplies coffee.

Mounir and his kids make around 1200 transactions per day, of which 60% are selling coffee and tea. This small business is affected as well by the battles. The activity is reduced by 55 to 60% after each confrontation. However, the situation of Mounir remains better than the other two beneficiaries

AEP Briefs

LIM news

Within the framework of the LIM program (Lebanon Investment in Micro Finance,) established by the USAID, the American agency for the international development, our Association benefitted this year from a 200 000 \$ grant, intended for the micro-credits, particularly in agriculture, computer services and tourism in the rural regions.

The positive quality of the AEP and the LIM partnership is not limited to the financial side only, but it extends also to the different training sessions given by the executive team and covering different topics such as: risk management, human resources performance, the relations with the creditors and the marketing tools... In addition, LIM offered the AEP a coaching (personalized training) to identify our association's needs and to permit it to develop in order to attain a long-term self-sufficiency.

Finally, round tables were organized in order to form a network between the different associations of micro finance and to establish a risk center.

Perspectives for 2013

- › Need to find new financing sources
- › Study of the possibility to get loans for the credit program
- › Improvement of the projects' quality through a better feasibility study
- › Re-evaluation of the warranties
- › Development of the geographic zones
- › Reinforcing the Regional Teams
- › Help the creditors in the commercialization of their production

Achievements

— Ever since its foundation in October 1984 until the 31st of September 2012, the “Parabank” has granted **3 425 loans** for a sum of **15 083 160 US\$** among which:

Coverage rate :
95%

→ **3 321 familial loans**

for a sum of

14 246 669 US\$

→ **97 collective loans**

for a sum of

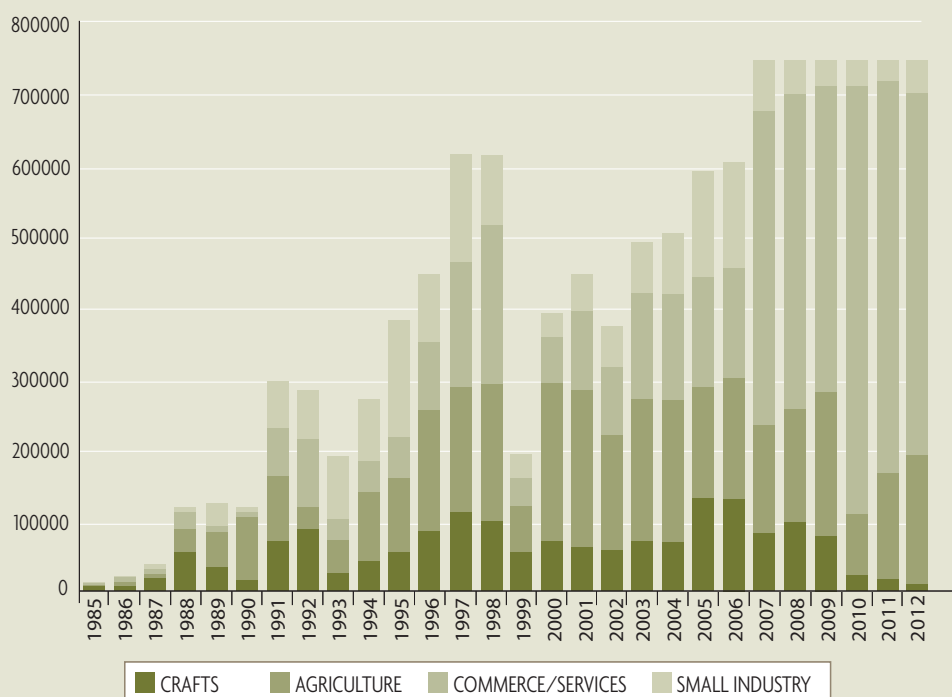
703 529 US\$

→ **7 cooperative loans**

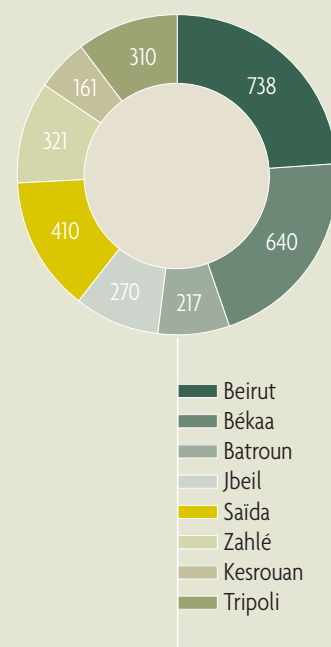
for a sum of

132 962 US\$

▼ Distribution of the granted loans per year and per sector



▼ Loans since the foundation



► Year 2012

Granted loans :

→ Number **251**

→ Amount **1 204 280 US\$**

Average outstanding loans :

→ Number **779**

→ Amount **2 583 166 US\$**

Operating/outstanding
9%

ADMINISTRATIVE COMMITTEE :

President :
Antoine Eid

Vice-President :
Chady Rached

Secretary :
Dolly Haddad

Treasury :
Samira Khoury

Members :

Bassam Chami
Roger Melki

Camille Chedid
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How to help the AEP?

The AEP needs your financial and/or technical solidarity and support. If you are convinced with the efficiency of its socio-economic action, many participation options are proposed to you: donations, loans, professional advice for the creditors or informing your neighborhood about the goals and actions of the AEP

YES, I WISH TO HELP THE AEP

Name and family name (Mrs., Ms, and M.)

Complete address

Postal code

Tel

Fax

E-Mail

BY DONATING

I wish to pay the annual subscription :

75 000LL

or 50 Euros

or 50 US\$

I wish to make a donation to support the AEP in its action :

Amount of the donation

L.L. or

Euros. or

US\$

The donations are paid to the AEP via : check, postal check, cash,

Bank transfer: Bank Med Ashrafieh, Beirut, Lebanon Account N°: AEP-0242112219500

BY LOANING

I wish to participate to the operation "Savings and Solidarity" by loaning money to an entrepreneur through the AEP, for a sum of:

(the loan unit is 800.000L.L or 500 US\$)

BY ADVISING

I wish, depending on my competences, to advise the creditors in their professional activity.

Field

available time

BY INFORMING

I wish to inform about the goals and actions of the AEP.

Number of required bulletins

- Check the mentions that interest you and send this page to the AEP address.

The team of the AEP is at your complete disposal for any information on this number: 01/382610 from 8h till 16h from Monday to Friday

AEP's Address

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