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Armenian General Benevolent
Union of America, Inc.
628 Second Avenue
New York, NY 10016

Mr. Blaine Richardson
Office Director for Jordan, Lebanon, Syria Affairs
Bureau of the Near East
Agency for International Development
United States Department of State
Washington, D.C.

Dear Mr. Richardson:

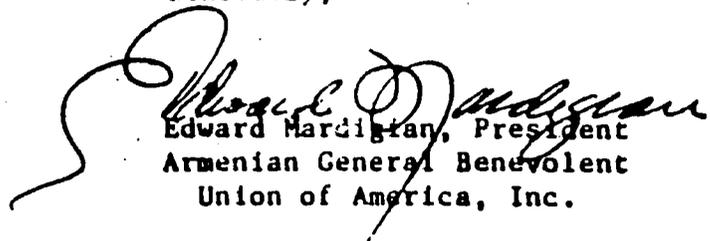
Enclosed please find an application and abstract for continuation of grant AID/NE-G-1491, supporting ongoing rehabilitation and reconstruction programs in the Bourj-Hammoud and contiguous areas of Khalil-Badawi and Hajjen, adjacent suburbs of Beirut, Lebanon.

As explained in the enclosed materials, the necessity of reapplication arises from the unexpected October 1978 and September 1979 civil conflict in Lebanon.

If you require additional information, please call on us. We would also be glad to meet with you to discuss the program at length.

We look forward to hearing from you.

Sincerely,


Edward Mardigian, President
Armenian General Benevolent
Union of America, Inc.

GRANT REAPPLICATION

Grant AID/NE-G-1491

Application of Armenian General Benevolent Union
and Supporting Organizations for
U.S. Government Grants to Aid the
People of Lebanon in the Bourj-Hammoud Area

September 1979

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ABSTRACT

Reapplication of the
Armenian General Benevolent Union of America, Inc.
for Continued Support of Grant AID/NE-G-1491

I. Purpose

To request continued support of social assistance service programs developed in grant AID/NE-G-1491; to assist in continued economic recovery and reconstruction in the Bourj-Hammoud and contiguous area of Khalil-Badawi and Hajjen near Beirut, Lebanon; and, to meet new and urgent needs in these areas resulting from the large-scale human and material damages caused by extensive renewed fighting in October, 1978, and September, 1979.

II. Objectives

To provide continued welfare services to those most in need, augmenting present rehabilitation and reconstruction loan programs. Efforts will also continue to focus upon providing relief services for orphans, widows, and individuals left destitute by the war. In addition, funds are requested to assist with the necessary rehabilitation, reconstruction and repair to damaged houses. The long-term objective will be to further facilitate the area's physical and economic recovery.

III. Programs and Amounts Requested

<u>Program</u>	
Associated Fund for Economic Development	\$ 780,000.00
Orphans' and Widows' Program	210,000.00
Rehabilitation, Reconstruction and Repair of Houses Program	<u>1,000,000.00</u>
Direct Aid Total:	\$1,990,000.00
Administrative Expenses	<u>\$ 55,500.00</u>
Total Request from AID:	\$2,045,500.00

IV. Implementation and Reporting

In accordance with the procedure established under grant AID/NE-G-1491 the Armenian General Benevolent Union of America, Inc. (AGBUA) shall continue in its capacity as the organizational and fiscal agent for

IV. Implementation and Reporting (continued)

the program and shall be assisted in the administration and distribution of the grant by the Armenian Relief Society, Inc., and the Armenian Missionary Association of America, Inc., as well as other supporting social welfare agencies currently operating the field in association with these organizations, structured as the Social Welfare Coordinating Committee (WSCC).

The ACBUA shall submit an Implementation Plan within forty-five (45) days of the execution of the grant agreement, and will continue to comply with the reporting procedures established by AID.

V. Conclusions

Although WSCC members will continue to support programs to the fullest extent, due to the October 1978 destructive civil strife and the September 1979 fighting, they are not yet, as was anticipated one year ago, in a position to assume independent responsibility for the expanded programs. Much has been accomplished thus far. However, additional funding will be necessary if the original goals of recovery, reconstruction and rehabilitation in the Bourj-Hammoud area of Lebanon are to be realized.

We believe that United States humanitarian aims would be better served by our continued participation with the other agencies currently at work in Lebanon.

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APPLICANT AND SUPPORTING ORGANIZATIONS

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President
Armenian Relief Society, Inc.
212 Stuart Street
Boston, MA 02116

(617) 542 0528

Dr. G.H. Chopourian,
Executive Director
Armenian Missionary Association
of America
140 Forest Avenue
Paramus, NJ 07652

(201) 265 2607

PROGRAM SUMMARY: BUDGET

ADMINISTRATION

<u>Salaries</u>	<u>Applicants' Contribution</u>	<u>AID Request</u>	<u>Program Total</u>
Program Director (P/D), 1/2 Time	\$ 5,000	\$ 10,000	\$ 15,000
Assistant to P/D, 1/6 T	3,000	-0-	3,000
Administrative Director (A/D), 2/5 T	4,000	5,000	9,000
Assistant to A/D, 1/2 T	5,000	1,500	6,500
Project Secretary, FT	1,200	4,800	6,000
Program Specialist (P/S), 3 FT			
Associated Fund for			
Economic Development	1,500	5,000	6,500
Orphans' and Widows' Program	1,500	5,000	6,500
Rehabilitation, Reconstruction			
and Repair of Homes Program	1,500	5,000	6,500
Casual Labor	5,000	-0-	5,000
<u>International Travel</u>			
P/D, 3 Round Trip, US-Lebanon	-0-	4,000	4,000
Assistant to P/D, 2 RTs, US-Lebanon	1,300	1,300	2,600
A/D, 1 RT, Lebanon-US	1,300	-0-	1,300
<u>Local Travel</u>			
P/D	-0-	1,000	1,000
Assistant to P/D	200	-0-	200
A/D	1,000	1,000	2,000
Assistant to A/D	1,000	-0-	1,000
P/S	500	1,500	2,000
<u>Per Diem</u>			
P/D while in Lebanon	1,000	3,000	4,000
Assistant to P/D	600	400	1,000
<u>Office Logistics</u>			
Office rental and maintenance	4,000	2,000	6,000
Furniture and Equipment	2,000	-0-	2,000
Office Supplies	650	1,000	1,650
Telephone: local and international	300	1,000	1,300
Postage and Parcels	500	500	1,000
Heat and Electricity	1,000	-0-	1,000
Duplicating, photocopying, and printing	2,000	500	2,500
<u>Contract Work</u>			
Legal Fees	1,000	-0-	1,000

ADMINISTRATION (continued)

<u>Contract Work (continued)</u>	<u>Applicant's Contribution</u>	<u>AID Request</u>	<u>Program Total</u>
Bookkeeping and Audit	\$ 2,000	\$ 2,000	\$ 4,000
Translators	3,000	-0-	3,000
Consultants	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
TOTAL ADMINISTRATIVE EXPENDITURES:	\$ 52,050 (=48%)	\$ 55,500 (=52%)	\$ 107,000 (=100%)

PROGRAM: DIRECT AID

Associated Fund for Economic Development	\$ 78,000	\$ 780,000	\$ 858,000
Orphans' and Widows' Program			
Tuition	40,000	90,000	130,000
Medical Insurance	15,000	30,000	45,000
Rent Assistance	15,000	60,000	75,000
Family Allocation	<u>15,000</u>	<u>30,000</u>	<u>45,000</u>
	85,000	210,000	295,000
Rehabilitation, Reconstruction and Repair of Homes Program	<u>200,000</u>	<u>1,000,000</u>	<u>1,200,000</u>
TOTAL DIRECT AID:	\$ 363,000 (=15%)	\$1,990,000 (=85%)	\$2,353,000 (=100%)
Total Donor Contribution	\$ 415,050 (=17%)	\$2,045,500 (=83%)	\$2,460,550 (=100%)

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PROGRAM DESCRIPTION

A. Project Purpose

The purpose of this reapplication is to request continued support to programs developed in grant AID/NE-G-1491, to augment social assistance services to those most in need, and to assist in continued economic recovery and reconstruction in the Bourj-Hammoud and contiguous areas of Khalil-Badawi and Hajjen near Beirut, Lebanon.

The additional funds requested will not only allow inhabitants of that area to continue to rebuild normal lives and repair, to the extent possible, the human and material damages caused by the extensive fighting in October, 1978 and September, 1979, but will also further support sectarian cooperation and co-existence in the Bourj-Hammoud area, thus contributing to the stabilization of Lebanon.

B. Need for Continued AID Support

The necessity of reapplication results from the events of the October 1978 and September 1979 civil strife. When designing the original application, it was assumed that the socio-economic situation of the region would gradually normalize and that the AID grant would facilitate this normalization. It was further understood that the established social welfare agency, Welfare Services Coordinating Committee (WSCC), would ultimately assume full responsibility for continuation of the programs.

Large-scale destruction resulting from the renewed fighting dramatically undermined physical and economic recovery in the target area. A major portion of the population was in need of relief assistance and members of the WSCC were overwhelmed with the need for emergency measures.

Consequently, although WSCC members will continue to support programs to the fullest extent, they are not yet, as was anticipated one year ago, in a position to assume independent responsibility for the expanded programs.

Although much has been accomplished thus far, additional funding will be required if the original goals of recovery, reconstruction, and rehabilitation in the Bourj-Hammoud area are to be realized.

C. Background and Objectives

The Bourj-Hammoud section of Beirut is a lower and modest-class residential and industrial area on the border between East and West Beirut. Although its inhabitants continued to remain neutral during the fall, 1978 fighting in Lebanon, the sector's strategic location between opposing forces resulted in considerable further damage and casualties in the cross fire. The looting of family homes and additional damages to business establishments placed an inordinate strain on social-service facilities, thus hindering the goals of the original AID grant.

The Bourj-Hammoud sector of Beirut houses Armenian, Assyrian, Greek Orthodox, Maronite, Melkite, and Shiite Muslim individuals.

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The target population totals approximately 120,000. In addition, many refugees and displaced persons continue to live in the area.

This grant will assist to provide continuation of welfare services to those most in need, augmenting present rehabilitation and reconstruction programs. The effort will continue to focus upon providing relief services for orphans, widows, and individuals left destitute by the war. In addition, funds are requested to assist with the necessary rehabilitation, reconstruction, and repair of damaged houses program commenced in November of 1978. Of 1,920 damaged units, 85% are located in the target area.

The long-term objective of this grant will be to further facilitate the target area's physical and economic recovery.

D. Past Performance

1. Orphans' and Widows' Program: to date, 807 (or 70%) of all widows and orphans (excluding families with working age children) have received medical assistance cards. In addition, each month 101 orphans and widows have received rent assistance in some kind, averaging approximately \$3,000.00 total assistance per month. In each month, 71 families have also received an allowance of some kind, averaging approximately \$2,000.00 total assistance per month.

2. Associated Fund for Economic Development (AFED): As of March 31, 1979, 486 loans totaling \$670,000.00 had been dispensed. By July, 1979, the total of loans dispensed will reach \$900,000.00. The AID participation will have been \$320,000.00, with recycled

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AID funds of at least \$125,000.00. To date, the rate of repayment of loans has averaged around 97%.

It is our belief that the Cooperating Social Welfare Agencies presently functioning in Lebanon, and the Lebanese Administrative Committee established to administer the original AID program, provide a dependable and experienced infrastructure with which to administer these social welfare services.

E. Continued Non-Federal Support

As in the past, international Armenian charitable organizations will continue to do their utmost to give aid to the people of Lebanon through their established channels. In addition to the \$1.5 million previously committed to Lebanon, these organizations have sent another \$1.0 million dollars. Although efforts to raise funds to alleviate pressures resulting from the events of October 1978 and September 1979 will continue, private funds are limited.

PROGRAM ADMINISTRATION

A. Duration of Proposed Programs

The requested funding is for a one year period (Oct. 1979 - Sept. 1980). Although certain programs will extend beyond that time, they will not necessarily be supported by AID funds.

The Associated Fund for Economic Development (Revolving Loan Fund) will continue indefinitely. It now needs an enlarged capital base so as to have a significant impact on the economic development and recovery of the target area.

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The Orphans' and Widows' Program is also expected to last indefinitely or until the orphans have reached the age at which they can work. This program is expected to be supported from within the community after an additional year's financial support from abroad.

The Rehabilitation, Reconstruction, and Repair of Homes Program is a one-time project without continuation. Hard-core cases may later be supported by the established social welfare services.

B. Implementation

In accordance with the procedure established under grant AID/NE-G-1491, the Armenian General Benevolent Union of America, Inc. (AGBUA) shall continue in its capacity as the organizational and fiscal agent for the program and shall be assisted in the administration and distribution of the grant by the Armenian Relief Society, Inc., and the Armenian Missionary Association of America, Inc., as well as other supporting social welfare agencies currently operating the field in association with these organizations, structured as the Social Welfare Coordinating Committee (WSCC). Services financed under the grant shall be available to all residents of the project area, regardless of religious or ethnic background.

Within the AGBUA, a nine member American Supervisory Board (ASB) shall continue its role of oversight of project activities in Lebanon. The ASB consists of representatives of the AGBUA, the Armenian Relief Society, the Armenian Missionary Association of America, and the American Program Director. In addition, the six person

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Lebanese Administrative Committee (LAC) shall continue to function as before. The LAC consists of two representatives of the Armenian General Benevolent Union, two representatives of the Armenian Relief Society, and two representatives of the Armenian Missionary Association of America, as well as a local Administrative Director, responsible to the American Program Director, who is an ex officio member.

The LAC receives requests, recommends priorities to the ASB and supervises the administration of the program as directed by the ASB. The LAC shall also continue to work with the Welfare Services Coordinating Committee, which represents a wider spectrum of active social welfare groups. As before, their expenditures shall be considered part of the contribution of the grant applicants to the total program.

Administrative groups, with a Program Specialist in charge of each, shall be directly responsible to the AGBUA, through the local Administrative Director, for the three areas of activity: 1. Associated Fund for Economic Development; 2. Orphans' and Widows' Program, and; 3. Rehabilitation, Reconstruction, and Repair of Homes Program.

The composition of the project shall be as follows:

1. Associated Fund for Economic Development (AFED)

The goal of the AFED is to help families, through a revolving-loan fund, repair damages to stores, shops, and businesses and regain their economic productivity. In order to benefit the maximum number of applicants and because of the modest socio-economic circumstances of the target group, the maximum amount of AID grant funds which may be applied to an AFED loan shall be \$3,000.00.

Loan applicants shall first contact one of the member agencies of the WSCC or the LAC directly. Application shall then be reviewed by a loan committee made up from representatives of participating and cooperating agencies.

The maximum period for repayment of AID financed loans shall be two (2) years. Loan terms shall be in accordance with the following schedule:

<u>Period of Repayment</u>	<u>Annual Interest Rate</u>
Within 12 months	2.4%
Within 15 months	3.0%
Within 18 months	3.6%
Within 21 months	4.2%
Within 24 months	4.8%

In order to qualify for a loan, a borrower must:

a. have a co-signer and both must sign promissory notes for the full amount of the loan;

b. be (or have been immediately before the 1975/76 civil war broke out) a resident of and intend to remain in (or return to) the target area;

c. have (or have had immediately before the 1975/76 civil war broke out and intend to reestablish) his principal place of business in the target area;

d. be ineligible for regular bank loans;

e. have had previous experience in the line of work for which he is applying.

No borrower who is otherwise eligible shall be denied a loan because of his or her sex, race, creed, or national origin.

At the end of the first twelve (12) month period of this grant, any funds, provided by AID for use in the AFED, that are not firmly committed by valid loan agreements executed with eligible recipients prior to that date, shall, as in the past, revert to AID.

As previously agreed, principal of AID-financed loans, upon repayment, shall be deposited in the AFED capital account and will be used for additional reconstruction loans. The grantee shall continue to use the AID share of such principal for rehabilitation and reconstruction loan activities as described above as long as it is needed; even after the grant period has expired.

While this loan program has enjoyed a high rate of repayment, we recognize that there may be some instances where borrowers default on repayment. In the event of default on repayment by borrowers under the AFED loan program, the grantee shall make all reasonable efforts to gain maximum recovery of loaned funds. If, however, such efforts are not successful and it is determined that recovery is not possible, as in the past, the grantee is not to be held liable for repayment of unrecovered loans.

2. Orphans' and Widows' Program (OWP)

The scope of services under the OWP includes only those forms of social assistance that are not available in the Lebanese Social Security scheme. AID financing under this grant of OWP activities will be limited to disbursements made during the first twelve (12) months of the grant.

OWP services shall be available to all widows and orphans who are residents of the target area. The program will again

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include the following:

a. A program to provide tuition for orphans (kindergarten through secondary levels). For kindergarten and elementary school, all school expenses up to a \$350.00 limit, shall be paid regardless of which school the orphan attends. For secondary and high school levels, however, the program shall be further limited to those students who maintain a "C" average or better in their academic work. It is estimated that the tuition program will reach approximately 500 orphans with an average cost of \$260.00 per student. For students attending more expensive secondary and high schools, a portion of the tuition could be provided, with the remainder being paid from other sources.

b. Medical and Insurance for Widows and Orphans. Full cost of medical insurance shall be paid for widows and orphans until the oldest daughter is 18, or the oldest son is 16 years old (in the case of students, the ages shall be 22 and 20 years, respectively).

Any insurance scheme which is developed for this segment of the program shall be open to any doctor or medical facility wishing to participate.

c. Rent Assistance for widows whose oldest daughter is not yet 18, or oldest son is not yet 16. The rent subsidy scheme shall provide full compensation to qualified families whose monthly rental fees are small and partial compensation to those families incurring moderate rental fees.

Subsidies shall be based upon the following formula:

<u>Rent/Month</u>	<u>Subsidy</u>
Up to \$20	Full compensation
\$20-\$37	\$20-\$29
\$37-\$115	\$29-\$37
Above \$115	No subsidy

In no event shall grant funds be used to defray the cost of rents incurred prior to the effective date of this grant.

d. Family Allocation for widows with children under six years of age. This program would provide a monthly allocation to widows whose youngest children are under six years of age and whose oldest daughter is not yet 18, or son is not yet 16. The monthly allocation shall be \$20 for the qualified widow and \$5 for each child under age 14. Assistance shall be stopped when the child reaches six years of age, the oldest daughter is over 18, or the oldest son is over 16 years of age.

3. Rehabilitation, Reconstruction, and Repair of Homes

As of November, 1978, a joint committee, including the cooperating organizations, had assumed responsibility for this task.

The Reconstruction Committee has thus far been able to raise \$1,340,500.00 from Armenian fund-raising campaigns in Lebanon and abroad and from international humanitarian organizations. In addition to the repair and rehabilitation of schools and churches, these funds are being used to repair 1,920 damaged houses, 85% of which are located in the target area. House-to-house surveys

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have indicated that the total cost of the rehabilitation, reconstruction, and repair scheme will be \$5,430,000.00.

Beginning with the most needy cases and the least expensive repairs, through April 3, 1979, 727 of the 1,920 damaged houses had been repaired. The rehabilitation and reconstruction work must continue, however, in order to reach all the damaged units.

Low income families shall receive outright grants for the costs of necessary repairs up to \$3,000.00. Families above the poverty level shall receive only a sliding regressive percentage of the costs from the reconstruction and rehabilitation plan, and will either have to raise the balance of funds, or will receive a private loan repayable within a predetermined period of time.

This program will include all otherwise eligible inhabitants of the target area, regardless of sex, race, creed, or national origin.

C. Measurement, Evaluation, and Reporting of Project Accomplishment

In compliance with the regulations agreed to under grant AID/NE-G-1491, the AGBUA shall submit an Implementation Plan within forty-five (45) days of the execution of the grant agreement, and will continue to comply with the reporting procedures established by AID.

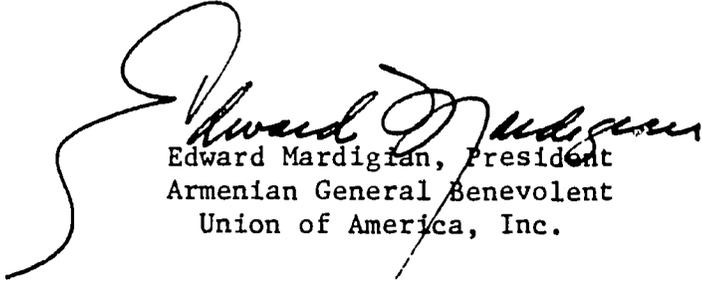
D. Conclusions

The AGBUA, the ARS, and the ANAA are eager to continue to work for the relief and rehabilitation of Lebanon by working in that

physical area where we are now active and where our efforts can be expanded to meet new and pressing needs. We have, and will continue to, cooperate effectively with the government and other agencies presently at work.

It is our belief, however, that current efforts need to be supplemented and that we have a distinct contribution to make in supporting the overall rehabilitation and reconstruction program. We further believe that U.S. humanitarian aims would be better served by our continued participation with other agencies currently at work.

Respectfully submitted,



Edward Mardigian, President
Armenian General Benevolent
Union of America, Inc.