

مؤسسة التعاون WELFARE ASSOCIATION

A Continued Commitment to Sustainable Development & Humanitarian Assistance in Palestine



ANNUAL REPORT 2006



"As a leading Palestinian non-governmental development organization, the Welfare Association is dedicated to making a distinguished contribution toward furthering the progress of the Palestinians, preserving their heritage and identity, supporting their living culture and building civil society."

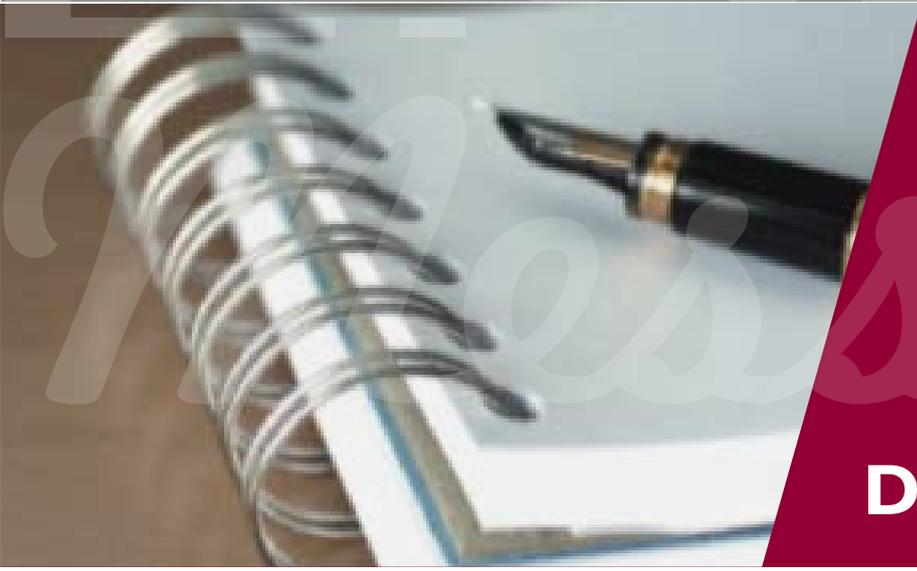


Land Reclamation in Qalqilia Area Where Many Farms were Affected by Wall and Barbed Wires

Contents

Message from the Director General	2
2006 at a Glance	4
Activities	8
Financial Report	46
Grateful for Your Partnership	50
The Welfare Association Family	52

COVER: Shu'fat Kindergarten



Message from Director General

The dramatic political deterioration in the national and regional arena during 2006 affected all Palestinians and made the year an exceptional one for Welfare Association.

WA responded to the conditions of chronic emergency throughout the year and acute emergencies in summer 2006 by launching a number of significant initiatives regarding emergency projects and development programs supported by expanded external fundraising. We also marked transitions and made improvements in our internal organization.

Every area in the geographic scope of WA operations was affected by a rise in military violence, reduced human security, increased poverty and continuing instability which takes its worst toll on children, women and the elderly, the disabled and most marginalized.

We witnessed the final construction works of the Apartheid Wall, literally next to us, and saw and felt the consequences on families that found themselves separated from one another and denied access to hospitals, schools, jobs, agricultural lands and sometimes even water. The policy of isolation was repeated by hundreds of internal checkpoints in the West Bank, separating villages from cities and cities from one another, reducing human interchange to minimum levels.

Around Jerusalem the Wall and its border-like checkpoints deny the majority of the population access to the city's cultural heritage and religious sites. This has left Jerusalem residents and institutions disconnected and isolated in a ghetto existence --- but it has also served to recognize the centrality of Jerusalem to all Palestinians.

The worst emergencies were, of course, in Gaza and in Lebanon. In summer both were held under cruel blockades and bombarded intensively for weeks, with devastating consequences for human life, property, infrastructure and agriculture. Gaza remains under permanent siege.

The Palestinian answer to such challenges is to plan, to develop, to improve, to educate and to rebuild --- efforts to which Welfare Association is committed to assist.

Internal improvements included a focus on efficiency and quality of services, consolidation of departmental operations, and efforts to promote within the organization necessary openness, responsiveness, and accountability to the communities we serve and to donors.

By many measurements, 2006 was an exceptional year for WA as a development organization in fundraising, planning, strategic development, long term partnerships, and working in new locations, sectors and with new donors.

It was a landmark year in revenues with \$54.5 million in revenue for the endowment and for operations. We developed a number of strategic long-term partnerships with donors, for example, with the Swiss government through the Swiss Cooperation Agency, and with the Swedish government through Sida. Also two US based foundations, namely Ford Foundation and Open Society Institute, increased their annual donation to WA to more than \$1 million in 2006. Our supporters from the private sector in the Palestinian Diaspora continue to grow and remain the main support for the work of WA.

WA has been active in world fora and especially in events for Foundations. WA has become a full member of the European Foundation Center and participated in the Worldwide Initiatives for Grantmaker Support (WINGS) global activities. WA is leading an initiative to create a forum for foundations in the Arab World presently called the Arab Foundations Forum. Already ten foundations have become members and that number is expected to increase significantly in 2007.

Under the guidance of the Research and Planning Department, we began developing Strategic Focused Programmatic Interventions for all sectors, beginning with Education. We began working with the EU's humanitarian arm, the European Commission Humanitarian Aid (ECHO), for the first time, in Gaza and in Lebanon. The Welfare Association also extended assistance to Southern Lebanese villages and to refugees on the Syrian-Iraqi borders to respond to basic needs due to their emergency situations.

Finally, both of Welfare Association's main signal programs, the Palestinian NGO Project (PNGO) and the Old City of Jerusalem Revitalization Program (OCJRP), made steps in new directions. The PNGO Project Management Office was registered in Palestine as an independent NGO, becoming the NGO Development Center (NDC) as a resource center for NGOs. The OCJRP also began its transition from an architectural restoration implementing program of the Welfare Association to moving strategically to become a restoration training and heritage institute with EU-UNESCO and WA funding.

WA believes that its work in 2006, as in previous years, has assisted Palestinians in the gigantic collective effort to move closer to the goal of self-determination, independence and sustainable development as a people.



Atallah Shafiq Kuttab
Director General

2006 At a Glance



Welfare Association (WA) is a private, non-profit foundation established in Geneva in 1983 to support the Palestinian society in sustainable development. As a leading Palestinian non-governmental development organization, the Welfare Association is dedicated to making a distinguished contribution toward furthering the progress of the Palestinians, preserving their heritage and identity, supporting their living culture and building civil society. The WA assists Palestinian development efforts through four main cross-cutting program tracks:

1. Culture and Identity: To promote the preservation and revitalization of Palestinian culture, heritage, and identity.

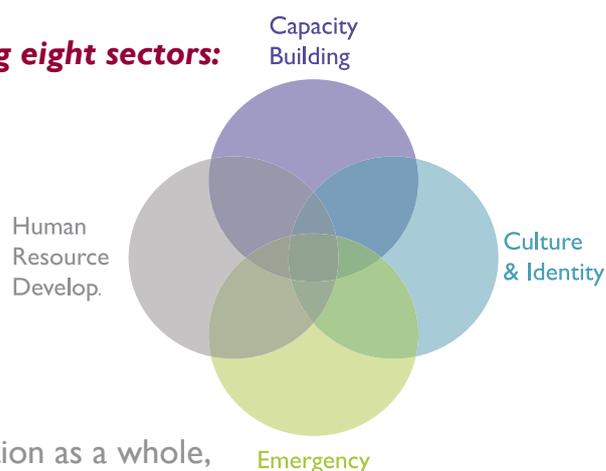
2. Human Resource Development: To develop Palestinian individuals to become empowered, productive and professional, able to seize their goals and dreams and to drive productive social and economic change.

3. Institution Building: To build capacities of local organizations to deliver efficient, effective, and relevant services, and to become better governed and sustainable.

4. Emergency Assistance: To respond to emergencies that put at great risk the survival, protection, and well-being of Palestinians.

WA Programs and Projects are in the following eight sectors:

- 1) Agriculture and Environment
- 2) Community and Social Services
- 3) Economic Development
- 4) Education
- 5) Health and Nutrition
- 6) Infrastructure, Housing and Buildings
- 7) Public Policy, Advocacy and Legal Rights
- 8) Relief



While WA's work benefits the Palestinian population as a whole, we maintain a particular beneficiary focus on children and youth, the poor, students, and special needs individuals through both small and large-scale projects.

WA's areas of operation include: a) West Bank including Jerusalem; b) Gaza; c) the 1948 Areas, and; d) Palestinian Refugee Camps in Lebanon.

Welfare Association

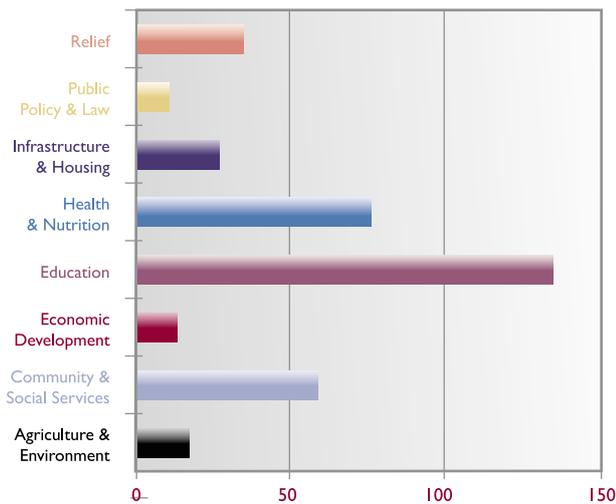
Areas of Operations 2006



2006 in Brief

In 2006, Welfare Association’s programs touched the lives of over one million Palestinians, particularly children and youth. More than \$38.4 million was spent for the implementation of 357 projects in the various areas of operation, the majority of which supported the Education and Health sectors. Total revenue mobilized in 2006 exceeded \$54.5 million directed toward program activities and administration (89.3%) and for the endowment (10.7%).

Number of Projects Implemented by Sector



Expenditure by Sector (in \$ millions)

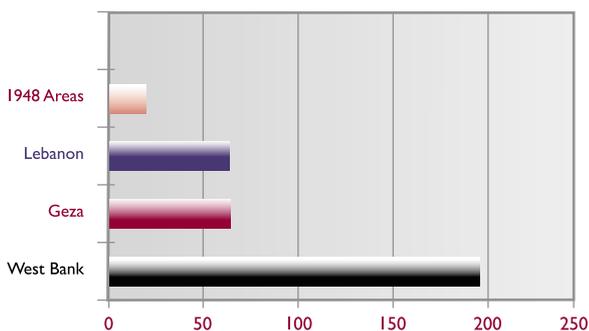


Projects per Sector

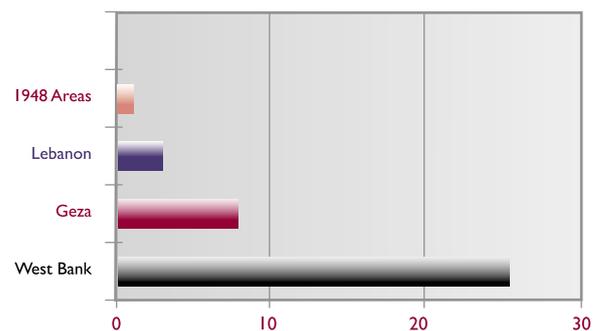
The year 2006 represented Welfare Association’s busiest to date: 357 projects in addition to program activities were implemented totaling \$38.4 million. The total number of persons benefiting directly from Welfare Association programs and projects in the year 2006 is estimated at more than one million individuals.

Five sectors absorbed 96% of all project expenditures. The largest proportion was in Education (\$17.85 million) followed by Health and Nutrition (\$5.53 million), Community and Social Services (\$5.50 million), Relief (\$3.50 million), and Infrastructure, Housing and Buildings (\$3.23 million). The remaining 4% was directed toward Agriculture and Environment (\$0.70 million), Public Policy, Advocacy and Legal Rights (\$0.44 million), and Economic Development (\$0.23 million).

Number of Projects Implemented by Geographic Area

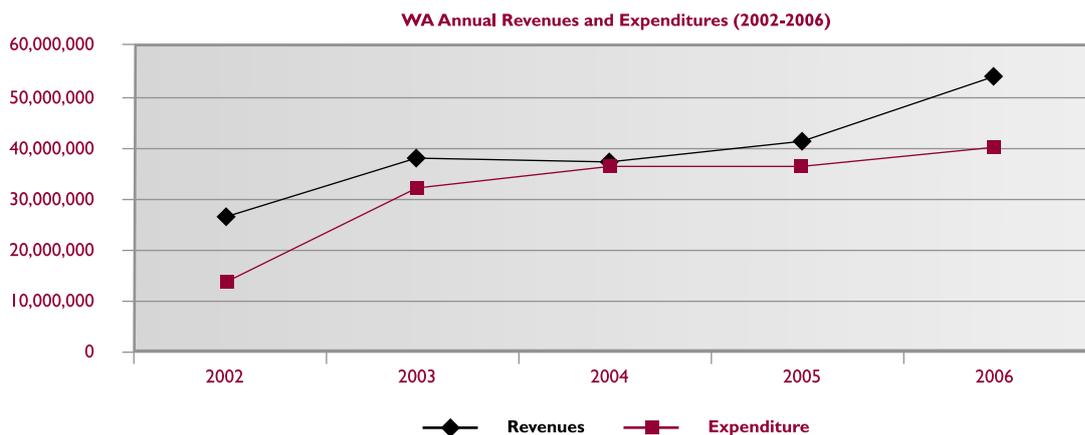


Expenditure by Geographic Area (in \$ millions)



Projects According to Geographic Location

Of the 357 projects in 2006, 211 projects were implemented in the West Bank, 64 projects were implemented in Gaza, 61 were implemented in Lebanon and 21 implemented in the 1948 areas. More than \$25 million was spent in the West Bank including Jerusalem. Almost \$8 million was disbursed in Gaza, more than \$2 million was disbursed in Lebanon, and slightly more than \$0.5 million was expended in the 1948 areas.



Revenues

Welfare Association’s revenues in the year 2006 exceeded \$54.5 million, representing an increase of 35% compared to the previous year.

Restricted revenues represented 97% of the total revenues. 11% were contributed by 43 individual donors for the endowment as a result of the endowment development campaign. Three percent of the revenues were not restricted and came from membership fees, free donations, and interest on unrestricted funds.

Project restricted donations made up 78% of restricted revenues. The majority of the grants (73.7%) came from eight Arab developmental and financial institutions, 17.6% from 11 European and international agencies, 5.8% from four foundations, and 2.9% from private sector institutions and individuals.

Campaigns and Emergency Appeals generated 7% of the restricted revenues, while other fundraising events and activities resulted in 2% of these funds.

Activities

Cucumber Farms in Kafir Thulth - Qalqilia

Agriculture and Environment Sector

Preserving and supporting land and water resources and food security

Sector Overview

Agriculture is vital to the lives of many of Palestine's 3.76 million population. According to Palestinian Central Bureau of Statistics (PCBS) data, almost one-third of the total area of the West Bank and Gaza is cultivated with field crops, fruit trees, vegetables, and cut flowers. However, Israeli military tanks and bulldozers have destroyed agricultural land and uprooted more than one million productive trees since September 2000. In addition, hundreds of thousands of dunums now lie behind the Apartheid Wall and inaccessible to the rest of the West Bank.

Despite these events, the value added of agricultural production of the Palestinian Territory amounted to \$408 million, indicating the crucial role the agricultural sector plays in ensuring job opportunities and employment, and in achieving food security for Palestinian families who depend on agriculture for small family-supported domestic projects.

Strawberry Farms in Beit Hanoun

Over the past six years Welfare Association implemented two cycles of projects in the Agriculture and Environment Sector with a total value of \$1,317,400. The projects are in cooperation with agricultural societies working in rural areas to mainly help poor farmers replant devastated land with fruit trees and repair destroyed irrigation systems. The 2000-2003 cycle with funding of \$274,200 included three emergency projects under the name 'Greening Palestine' that aimed at replanting agricultural land destroyed by Israeli authorities. The second cycle, 2003-2006, included three main projects under the name 'Rehabilitation of Damaged Area around the Wall' with total funding of \$1,043,200.

Welfare Association worked closely with local NGOs such as the Palestinian Agricultural Relief Committee (PARC), Ahali Society for Agricultural Development (ASAD), and Union of Agricultural Works Committee (UAWC) to help farmers maximize land use of the destroyed agricultural lands lying east of the Wall and to conduct a comprehensive assessment survey of land between the green line and the Wall.

Activities in 2006

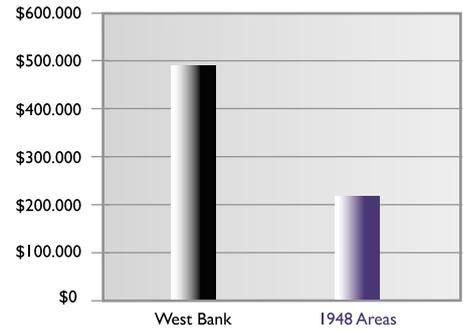
Welfare Association implemented 16 different projects in the Agricultural and Environment Sector during 2006 totaling \$695,250.

Major achievements in this sector included:

- Supporting farmers who lost their lands and had crops destroyed due to the erection of the Israeli Apartheid Wall.
- Replanting 6,500 dunums in Tulkarem, Qalqilya, Jenin, Ramallah, Hebron, Nablus, and Tubas with 143,000 fruit trees. 53 villages benefited from the project. Fertilizers and pesticides were also provided for 11,000 dunums.
- Rehabilitation of community infrastructure for agricultural lands around the Wall. 70 cisterns were constructed to collect 4,550 cubic meters of water for irrigation; 1,000 meters of irrigation pipes were installed.
- Promotion of public awareness about maintaining agricultural lands. More than 149 meetings and workshops by agricultural specialists were convened for local communities in 70 locations to discuss best agricultural techniques for promoting production. Training sessions were held for 33 farmer community organizations; more than 1,590 farmers benefited from this agricultural awareness raising program.

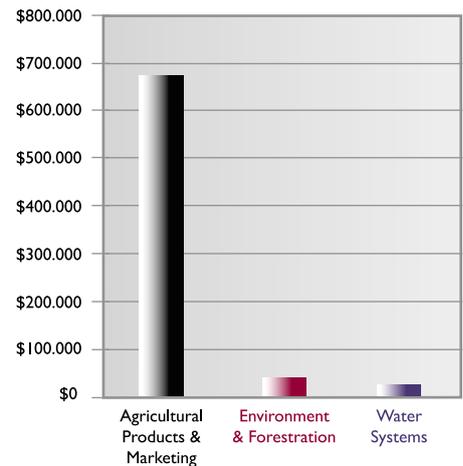
Projects and Expenditure According to Geographic Location:

Of the 16 projects in the agricultural sector in 2006 totaling \$690,250, 14 were in the West Bank, with a disbursement of \$481,750, and two were in the 1948 areas, with \$213,800 for rehabilitation of agricultural lands.



Projects and Expenditure According to Sub-Sector:

Most of the agricultural projects (14) were implemented in the Agricultural Products and Marketing Sub-Sector to support farmers in land reclamation and rehabilitation, planting of seedlings and fruit trees, advocacy and fund raising campaigns, and implementation of local empowerment programs. The remaining projects were in the Environment and Forestation Sub-Sector (1) to support the establishment of a model garden in Jericho, and in the Water Systems Sub-Sector (1) for the construction of cisterns for irrigation.



Planting Vegetables in Green Houses



Planting Olive Trees in Naqab

2006 AGRICULTURE AND ENVIRONMENT SECTOR PROJECTS – BENEFICIARIES LIST

West Bank:

Advocacy and fund raising campaign: **Arab Group for the Protection of Nature** □ Developing viniculture project in Abboud: **Center for Environmental Sciences- Birzeit University** □ Land reclamation around the Israeli Wall: **Ma'an Development Center-Ramallah** □ Planting fruit trees: **Cooperative Society for Olive Pressing-Tulkarem** □ Planting seedling trees around the Israeli Wall: **Agriculture Development Society, Union of Agricultural Work Committees, Ahali Center for Community Development** □ Supporting establishment of agriculture income generating projects: **Palestine Wildlife Society, Union of Charitable Societies Northern Governorate** □ Supporting farmers for land reclamation: **Tammoun Municipality, Cooperative Society for Olive Pressing, Juhud Society for Community and Rural Development.**

1948 Areas:

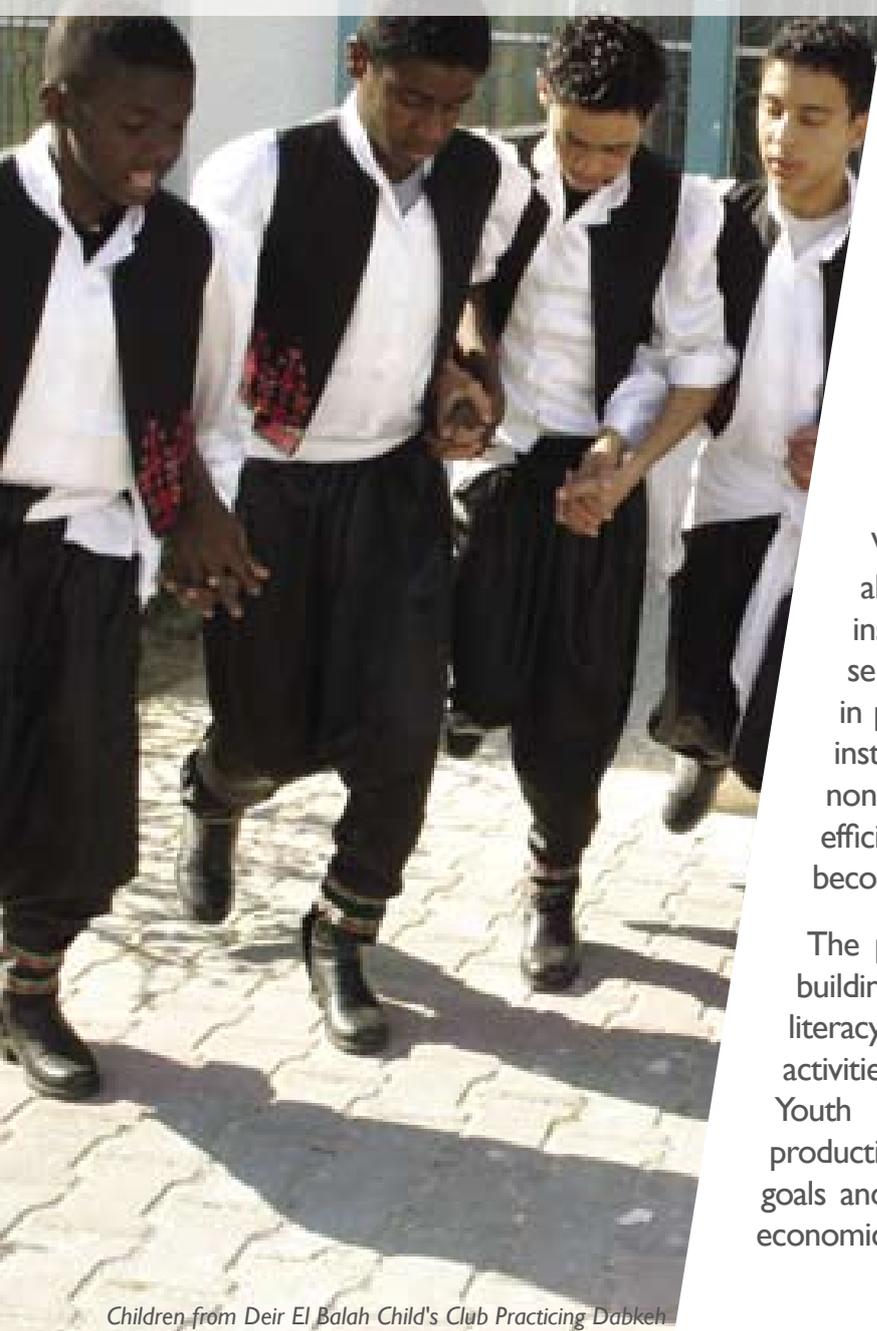
Naqab Empowerment Program: **Ahali Center for Community Development** □ Rehabilitation of damaged agriculture area around the Wall: **Ahali Center for Community Development, Union of Agricultural Work Committees, Agriculture Development Society.**

Activities



Children in Shababik Program

Community and Social Services Sector



Children from Deir El Balah Child's Club Practicing Dabkeh

Building the capacity of communities and local institutions

Sector Overview

Welfare Association has a long and respected track record of interventions in the Community and Social Services Sector that aim at building the capacity of Palestinian communities and local institutions.

Work within this sector is conducted along two tracks: (1) providing support for institutions for a variety of programs and services targeting children, youth, and women in particular, and (2) building capacities of the institutions as well as other civil society and non-governmental organizations to deliver efficient, effective, and relevant services, and to become better governed and more sustainable.

The programs and services include awareness building, civic education and life skills training, IT literacy training, cultural, sports and recreational activities, and leadership and assertiveness programs. Youth are targeted to become empowered, productive and professional, able to achieve their goals and dreams, and drive productive social and economic change in their communities.

IT literacy is essential, not as an end in itself but a cross-sectoral means for development. WA has over the years invested heavily in developing access to and training in information technology for Palestinians. The award-winning IT4Youth program in rural areas, Futurekids, Regional IT Centers, the Wamda II Knowledge Oasis, the Computer Clubhouse, and IT Centers of Excellence are only some of the many achievements of WA in support of IT.

WA has encouraged cultural programs that support the aim of promoting the preservation and revitalization of Palestinian culture, heritage, and identity. These have ranged from promoting Arabic language and literature, traditional arts, music, cultural exchange and awareness-raising, to land documentation, and demographic, political and social studies publications.

The Palestinian NGO Project (PNGO) is the largest WA program working on the NGO capacity-building track. Established in 1997, the project has the three-fold aim to assist NGOs in delivering services to poor and marginalized sectors, to improve their capabilities and to strengthen their working relationships. With support from the World Bank, Italy, Saudi Arabia, Canada, DFID, AFD, SDC, and others, the project disbursed over \$50 million during the past ten years of operations [See Box 1].

Activities in 2006

In 2006, Welfare Association implemented 60 projects in the Community and Social Services Sector with disbursements totaling \$5.5 million.

Major achievements in this sector included:

- **Youth Centers and Services:** Tens of youth organizations in the Naqab and other 1948 areas, Jerusalem, and remaining West Bank were supported in implementing youth empowerment programs. 5 youth and sports centers were established or renovated.
- **Women and Children Centers and Services:** 5 children's gardens, play yards and centers were established or developed, and a variety of children's programs were sponsored. In addition, 3 women's centers were established or developed, and 2 centers were supported in operation.



Youth in "Markez Isa'ad Altoufouleh"

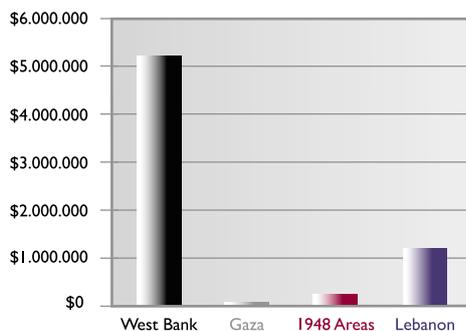


Training Mothers How to Teach their Children - Balata Camp, Nablus

- **Arts and Cultural Centers and Services:** Production of 4 books, oral history documentation, an atlas, and 2 films were supported. Three children’s and community libraries, and one children’s theatre were established or developed, and theatre programs for children were organized. In addition, several Palestinian artists made use of the Artist’s Studio in Paris.
- **IT Centers and Services:** 7 computer centers were established or supported. WAMDA CD Science Package was developed and disseminated. WA’s prestigious Futurekids and Clubhouse Programs continued operation, and steps to institutionalize their operations were taken.
- **NGO Development Services:** Over 20 NGOs in Lebanon and another 3 in Palestine were supported. The Arab Foundations Forum was established, led by WA, and the PNGO project serving 91 NGOs in 2006 became an independent organization: the NGO Development Center (NDC).

Projects and Expenditure According to Geographic Location:

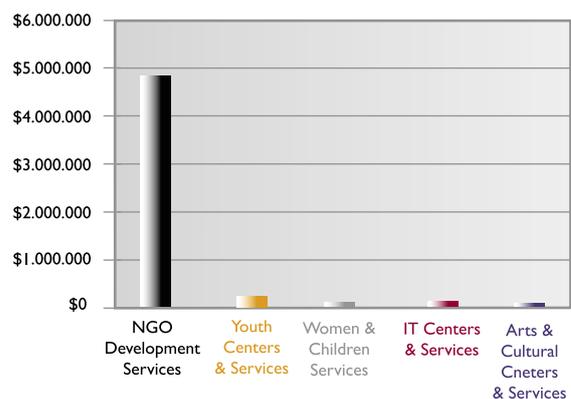
In the West Bank, 48 projects were implemented in the Community and Social Services Sector (80%) representing 97% of the expenditure in this sector in 2006. Over 350 youth in the Old City of Jerusalem benefited from the Youth Empowerment Project, an ambitious project coordinated among 9 different youth organizations. Four projects were implemented in Lebanon, two in Gaza and six in the 1948 areas, including the establishment of the Hatem Zubi Computer Center in the Arab Cultural Society in Nazareth.



Projects and Expenditure According to Sub-Sector:

NGO Development Services had the highest expenditure of \$4.77 million (85% of total expenditure in the sector). Institution Building is the core of WA operations and a major strategic track. 97% of the expenditure on this sub-sector was by the PNGO Project-PMO (WA’s World Bank Consortium project) and the remaining was for running costs of NGOs particularly in Lebanon and Gaza.

Youth Centers and Services Sub-Sector represented the largest number of projects (17) in the Community and Social Services Sector and the second largest expenditure, with \$2.9 million, showing WA prioritization of this sub-sector.



2006 COMMUNITY AND SOCIAL SERVICES SECTOR PROJECTS – BENEFICIARIES LIST

West Bank:

Atlas of Palestine 1948: **International and Arab Universities and Educational Institution** □ Building gardens: **Roads and Environment Safety Center** □ Building of children's cultural center: **Municipality of Hebron** □ Capacity building and generating jobs for youth: **Salfeet Women's Club** □ Constructing sport club: **Al-Taiba Sport Club** □ Covering salaries and admin cost: **Arab Studies Society** □ Cultural and entertainment program: **Hebron Rehabilitation Committee** □ Dar Al Aytam multi-purpose room- IT: **Dar Al Aytam** □ Support to Futurekids: **Futurekids** □ Developing community libraries in the West Bank: **Tamer Institute for Community Education** □ Development of multi-purpose hall: **Arab Society for Orphans – Tulkarem** □ Development of CD package (WAMDA) for distribution: **Futurekids** □ Development of small workshops: **Child Center for Development and Culture** □ Development of the society: **Arab Society for Orphans – Tulkarem** □ Empowerment and development of youth organizations: **Arab Studies Society** □ Empowerment and networking of youth organizations and activities: **Arab Studies Society** □ Establishing 2 children libraries and supporting animation activities: **Gaza Immediate Voluntary Relief Effort** □ Establishing a child and family garden: **Burqa Sports Club** □ Establishing computer clubhouse: **Ramallah Computer Clubhouse** □ Establishment of one children science center: **AL-Muntada- The Young Scientists' Club** □ Financial support for needy families: **Cultural Center for Child Development – Tulkarem** □ Futurekids – scholarship: **Futurekids** □ Land reclamation for agriculture income generation projects: **Al-Rihyiyeh Social Development Society** □ Maintenance of the society's building: **Palestine Red Crescent Society-Jenen** □ Operating the Safe Home: **Family Defense Society** □ Operation of mothers' school program: **The Palestinian Federation of Women's Action Committee** □ Palestinian artists studio – Paris: **Ministry of Culture** □ Production of a Palestinian documentary film "Palestinian Tombs" by Nasri Hajaj: **Familia Production** □ Publication: **Institute for Jerusalem Studies** □ Renovation of the youth club: **Sports Union Club** □ Support for 13 NGOs in Palestine: **Norwegian People's Aid** □ Support for needy families: **Annahda Womens Association, YMCA, Yafa Cultural Center – Nablus, Azzon Youth Club – Qalqiliya** □ Support open Bethlehem campaign: **Open Bethlehem** □ Supporting summer camp activities: **Palestinian Child Care Society – Nablus** □ Supporting Taneh and Raneh program: **Palestinian Vision – Jerusalem** □ Supporting the Arab Foundations Forum (AFF): **Arab Foundations Forum** □ The Establishment of a computer center: **Deir Izbzia Cultural Association and Arabeh Municipality** □ Theatre shows in Lebanon camps: **The Popular Theatre** □ Training program for youth leadership on conflict resolution: **Palestinian Academic Society for International Affairs** □ WAFY - Welfare Association for Youth: **Welfare Association - Palestinian Youth**

Gaza:

Enhancing the children's club activities: **Society for Social, Cultural and Health Development** □ Establishing a playground at Mohamad Dorra stadium: **Committee for the Construction of Mohammed Al-Dura Stadium**

1948 Areas:

Establishing museum: **Palestinian Remembrance Museum Committee** □ Naqab empowerment program: **The Arab Council for Education and Culture in the Negev** □ Production of a video film on uprooted and destroyed villages: **The National Committee for the Defense of the Rights of Uprooted** □ The establishment of a computer center: **The League for Arabs of Jaffa, Arab Cultural Society – Nazareth** □ Youth development: **Several NGO's**

Lebanon:

Narrating the Nakba: **Harvard Team of Researchers** □ Program of encouraging reading and creative writing: **Arab Center for Popular Arts** □ Publication of 3 books: **Institute for Palestinian Studies** □ Support for 7 NGOs in Lebanon: **Norwegian People's Aid**

