

NEAR EAST FOUNDATION

Partners for Community Development since 1915

2009 Annual Report



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Near East Foundation

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For 95 years, the Near East Foundation (NEF) has worked to improve conditions of the most vulnerable communities in the Middle East and Africa. Their vulnerability is rooted in chronic poverty, conflict, migration and climate change. In 1915, NEF was created to provide refuge and relief to Armenians facing persecution during the disintegration of the Ottoman Empire. Today, the vulnerable communities with which NEF works take many forms:

Marginalized social groups – young people in Morocco’s peri-urban slums, residents of “poverty pockets” in rural Jordan;

Villages isolated by their environment – Berbers in Morocco’s Atlas Mountains, Malians facing an encroaching desert, Egyptian farmers relocated from the Nile Delta, and rural Armenians cut off from economic opportunity; and

People fleeing conflict – Iraqis in Jordan and Syria, Palestinians in the West Bank and Darfurians in central Sudan.

What these groups hold in common is that they are excluded from opportunities for economic and social advancement taking place around them. They lack the power to influence public decision-making and access to educational opportunities. They are left behind, caught in “poverty traps” that prevent them from investing in their own economic or social development.

KNOWLEDGE, VOICE, AND ENTERPRISE. NEF assists its local partners to participate more fully in the development of their countries—to build the lives they envision for themselves. Through a range of training, technical assistance and material support, NEF helps vulnerable communities:

Access **KNOWLEDGE** necessary to participate fully in civic and economic life through education, job training, and literacy programs

Amplify their collective **VOICE** through community organizing and institutional strengthening initiatives

Create **ECONOMIC OPPORTUNITY** through enterprise development, micro-credit, and improved agricultural and natural resource management

THE NEAR EAST FOUNDATION DIFFERENCE. With an annual budget of approximately \$6 million, NEF maintains offices and programs in Armenia, Egypt, Jordan, Mali, Morocco, Palestine and Sudan. In the field, approximately 85 NEF staff members—all of whom are from the countries in which they work—work closely with local organizations to mobilize vulnerable communities to find homegrown solutions to their problems. A small staff based in the US provides program development, project management, and administrative support to teams in the field. NEF is particularly effective at working in difficult settings for several reasons:



- **Decentralization.** NEF's decentralized structure empowers local development professionals. Most of our technical capacity and programming capacity resides with the teams in the field. This allows NEF to design initiatives that are especially responsive to local need and tailored to local conditions. Our field programs evolve organically with the changing nature of local development challenges, as reflected in the growing importance of urban poverty reduction initiatives in Morocco (Casablanca), Egypt (Cairo), and Jordan (Zarqa).
- **Relationships.** NEF has sustained its presence in partner countries and communities over many years. These long-term relationships give us intimate knowledge of local circumstances and challenges. Just as important, the relationships and NEF's local reputation are a foundation for trust with groups that are often difficult to reach—such as residents of remote villages in Morocco's High Atlas Mountains, refugees in urban Jordan, and Palestinian farmers in the West Bank.
- **Innovation.** NEF's local capacity and long-standing relationships enable NEF to pilot and refine innovative solutions to local development challenges. While our activities are rooted in grassroots action, the approaches and tools we develop gain traction far beyond the communities in which we work. For example, local natural resource management bylaws, developed by NEF and its partners in northern Mali, are now common elements of development practice throughout West Africa. NEF's locally adapted models for micro-credit and small enterprise development are now widely used by NGOs throughout Jordan. And NEF's model of engaging communities to increase girls' education, piloted in a handful of villages in the High Atlas Mountains, is now used across southern Morocco and is on the cusp of expansion to the national level.

2009 ACHIEVEMENTS. NEF's interventions are designed to address challenges associated with knowledge, voice, and enterprise in a sustained and holistic manner. The following examples illustrate our achievements in 2009.

VOICE

Many of NEF's local partners have been excluded from public decision-making due to poverty, lack of education, or geographic isolation. They have no seat at the table, and their lack of political power is both cause and effect of vulnerability. NEF helps establish and strengthen local organizations so they can take collective action and represent their members more effectively.

Morocco Urban Youth Development. Under a 3-year cooperative agreement with the US Agency for International Development (USAID), NEF is supporting the formation of youth associations in some of the most difficult peri-urban slums in Casablanca. These associations provide a vehicle for young people to communicate their problems and aspirations and to play a more active role in their communities. NEF has trained 150 young people in leadership and supported 18 youth committees.

Girls Education (Morocco). A cornerstone of NEF's approach to girls' education in rural Morocco is leadership from Parent-Teacher Associations. With support from the US Middle East Partnership Initiative (MEPI), NEF has helped revive and strengthen 38 PTAs across southern Morocco and increased parental participation by 50 percent. NEF has supported income generating projects in 12 of these communities, which now earn profits of \$30,000 annually to invest in their schools.



Local Economic Development (Jordan). With support from Jordan's Ministry of Planning and International Cooperation, NEF is managing a \$4.23 million project to stimulate economic development in six of the poorest regions of Jordan. In partnership with the royal NGO, JOHUD, NEF trains local community associations in organizational management and economic development. These associations then catalyze and guide activities to stimulate local economic growth and to support social and physical infrastructure.

KNOWLEDGE

Without basic knowledge, urban and rural poor alike have little prospect of taking advantage of new opportunities for employment and self-improvement. Their poverty and vulnerability to exploitation persists—often while society around them prospers. NEF education and training programs increase access to the basic knowledge needed to participate more fully in civic life and take advantage of economic opportunities.

Girls Education (Morocco). Since 2004, NEF has spearheaded a bold initiative to increase girls' attendance and overall school retention in some of the most remote villages in rural southern Morocco. Through a strategy of community mobilization, strengthening of parent teacher associations, curricular reform, infrastructure improvement, and revenue generation, NEF has helped increase girls' primary school attendance from 50 percent to 98 percent and increased primary school completion for all children from 10 percent to 95 percent.



Kindergarten Development (Palestinian Territories). In collaboration with international and local NGO's, NEF is leading a comprehensive program to improve kindergarten education in the West Bank, including curriculum, teacher training and infrastructure development. We continued our three-year collaboration with the World Food Program to supplement the nutrition of Palestinian school children. Through this program, NEF delivers enriched WFP commodities to twenty-four women's enterprise centers where 2,000 women produce enriched snacks for distribution to kindergartens and primary schools. The program serves

approximately 54,000 students in 189 kindergartens and 100 primary schools in the northern and central West Bank. With support from the US, Danish and Sharjah (AUE) governments, NEF renovated sanitary facilities, playgrounds and classrooms in several kindergartens.



Reproductive Health (Egypt). In four diverse communities across Egypt, NEF works with highly vulnerable 12-18 year-old Egyptian who live on the street or are forced to work to provide income for their families. Misconceptions about sexuality are widespread among adolescents and youth, and sexual practices put their reproductive and general health at risk. With support from the Ford Foundation, NEF is helping improve the quality of health and well-being among poor urban youth through training in leadership, life skills, and sexuality.

Economic Opportunity

NEF helps vulnerable people gain the knowledge and skills to earn a meaningful living and lift themselves out of poverty. We achieve this through technical assistance to improve productivity, job training, business development training, and micro-credit. Our approach to creating economic opportunity takes many forms—agriculture and natural resource management, value added processing, small-scale commerce, and local service delivery—reflecting the social and economic realities of our local partners.

Micro-Economic Development (Armenia). NEF returned to Armenia in January 2009 to launch a comprehensive micro-economic development and job creation program in Tavush Marz and Gegharkunik Marzes. In partnership with Armenia Fund USA and local organizations, NEF's integrated approach to local economic development in rural Armenian villages employs technical support for micro-enterprise, microcredit for small businesses, and micro-franchising for sectors that have high-potential at a regional level. In this pilot phase, NEF supported initial sector/competitiveness analyses, business development training for 53 small entrepreneurs, and assistance in preparing 35 business plans in areas as diverse as livestock, fish farming and fruit and vegetable production.



Agriculture and Natural Resource Management (Mali). Since early 2008, with support from the Dutch NGO NOVIB, NEF has assisted the inhabitants of 46 villages to cope with changes in rainfall, temperature and river flow in Mali's inland delta. The project introduced measures for improved natural resource





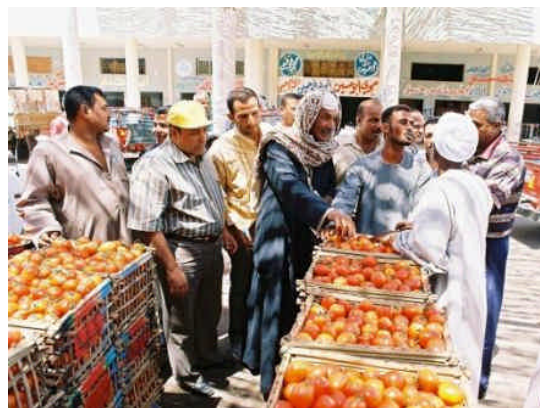
management to approximately 50,000 people from diverse groups (farmers, herders, fishermen, and artisans), local government officials and local NGO staff members. NEF works with producers to improve farm efficiency, increase productivity, and expand marketing and distribution channels, with a focus on improving competitiveness in the agricultural sector and supporting sustainable increases in production.

Urban Youth Development (Morocco). NEF provides leadership and job skills training in partnerships with local firms to improve employment opportunities for resident youth. NEF also provides training and facilitates micro-credit to help out-of-school youth develop small enterprises. Through June 2009, NEF trained 150 young men and women in life skills and leadership, placed 20 people in internships, helped prepare business plans and credit applications for 40 small enterprises, and established an SMS-based employment information system for use by 600 youth.

Women's Micro-credit (Mali). NEF has improved the financial security of thousands of people in the Mopti region by providing them with vocational training and access to credit. NEF established a women's micro-finance bank, Nayral/NEF, which is now run as an independent financial institution. Nayral/NEF has lent \$5.3 million to approximately 25,000 women to support small and medium businesses, with a repayment rate of 98 percent. NEF continues to give management assistance and provide some loan guarantees.



Agricultural Development (Egypt). Since 2005, NEF has operated a pilot agriculture extension project in three villages in the southwestern desert. The Egyptian government plans to resettle one million people to this area over the next ten years. NEF's project includes a nursery and experimental fields, where 2,500 participating farming families select appropriate varieties, seeds, planting cycles and methods and fertilizer and pesticide use. NEF emphasizes an ecological approach to agriculture, along with value-added production and access to markets. NEF has helped producers of high-value horticultural products obtain access to European markets through training and technical assistance to meet EUREPGAP standards.



Local Economic Development (Jordan). NEF worked with residents, private sector consultants, and Government of Jordan authorities to assess potential investments to jump-start economic activity in rural "poverty pockets." NEF provides training in business development and management and works through community associations to create new businesses in agriculture and commerce. NEF manages a grant fund and provides lending facilities for entrepreneurs.

REACHING THE MOST VULNERABLE

The most vulnerable—refugees and internally displaced people (IDPs)—often require a combination of direct relief and long-term development efforts. NEF’s work to bridge the relief-to-development transition goes back to our earliest days. Frequently, one of the biggest challenges is simply identifying and reaching out to these communities. For example, Iraqi refugees in Jordan disappear into the communities in which they resettle. Unable to work legally or to access social services such as schools and clinics in some cases, they exist in economic limbo or accept illegal work that exposes them to a variety of threats. The communities with which they find refuge are themselves in great need, and special care must be taken to address the specific needs of refugees while also reaching out to their host communities. This is the case with Iraqi refugees in both Jordan and Syria.

Internally Displaced People (Sudan). In Sudan, NEF works with refugees from Darfur and the war-torn South who have found refuge in the dusty village of Dar es-Salam, 40 kilometers from Khartoum. NEF built and continues to support a clinic that is the sole source of healthcare for this community of 40,000 people. The clinic currently serves over 1,000 patients per month by providing general treatment, laboratory testing, pre- and post-natal care, vaccination and nutrition and HIV/AIDS awareness activities.



Iraqi Refugees (Jordan). NEF partnered with six community-based organizations in Jordan’s second largest city, Zarqa, to provide relief aid, social services, and psycho-social support for Iraqi refugees and Jordanian host communities. NEF and its local partners were able to deliver targeted humanitarian assistance to over 2,000 households (about 10,000 people), 62% of which were Iraqi refugees. NEF coordinated 13 humanitarian relief campaigns and three sustainable community service projects—beauty salon and industrial sewing classes for women, an indoor playground for children, and a computer and cell phone maintenance training center for men.

Iraqi Refugees (Syria). In Syria, NEF undertook a comprehensive effort to enable Iraqi refugee and vulnerable Syrian women and girls to stabilize their well-being and livelihoods. With support from private foundations in the US and in coordination with the Center for Development Services, the Syrian Ministry of Health and the Syrian Women's General Union, NEF provided reproductive health and alternative livelihood programs to female Iraqi refugees in Damascus, seeking to reduce prostitution and forced labor. NEF conducted 145 reproductive health awareness sessions for 327 participants and trained Syrian doctors and nurses, as well as Iraqi volunteers, to conduct the workshops and provide ongoing counseling. NEF and its partners conducted psycho-social counseling





sessions and group therapy for 171 Iraqi women and adolescent girls in areas such as pervasive domestic as well as sexual and gender-based violence. To support alternative livelihoods, NEF and its partners conducted five training workshops on small business development for 124 beneficiaries.

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Statement of Financial Position at June 30, 2009

ASSETS

Cash & equivalents	969,423
Grants & Contracts receivable	169,391
Accounts & loans receivable	606,102
Investments & investments in trust	530,427
Other current assets	44,320
Fixed assets net	94,573
	<u>2,414,236</u>

LIABILITIES & NET ASSETS

Current liabilities	
Accounts payable & accrued expenses	531,667
Refundable advances	139,333
	<u>671,000</u>

Net Assets

Unrestricted	686,653
Temporarily restricted	721,198
Permanently restricted	335,385
Total net assets	<u>1,743,236</u>

Total	<u>2,414,236</u>
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Statement of Activities Year ended June 30, 2009

REVENUES & OTHER SUPPORT

Contributions	1,017,476
Government	894,790
Private Grants	2,014,039
In Kind Contributions	245,132
Program related	260,589
Other including investment	(83,028)
	<u>4,348,998</u>

EXPENSES

Program Services	4,623,430
Management & General	736,852
Fund-raising	265,598
	<u>5,625,880</u>

Net Surplus	<u>(1,276,882)</u>
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