



Dalia Association Annual Report 2008

Dalia Association (Association Sans But Lucratif #886043035)
BP 27, Gare de Bruxelles-Central
Boulevard de l'Impératrice 3
1000 Bruxelles

Dalia Association, Palestine Branch
Post Office Box 1498
Ramallah, Palestinian Authority
Landline: +970-2-298-9121
Mobile: +970-599-734-357 (Arabic)
Mobile: +972-54-654-1665 (English)

www.Dalia.ps
info@Dalia.ps

Table of Contents

Mission.....	1
Letter from the Board: Our Role Post-Gaza	2
Letter from the Director: The Long Answer to “How Are You?”	4
Letter from the Community Organizer: We Found a Niche	5
Main Activities in 2008	6
Resource Mobilization	10
Governance	13
Financial Statement 2008 (unaudited)	17

Our Mission

Dalia Association is a new Palestinian community foundation that was founded by members of the Palestinian community from the West Bank including East Jerusalem, Gaza Strip, Israel, and the Diaspora. We are diverse in terms of religion, gender, age, and politics, yet we are united by our commitment to mobilizing, investing, and distributing resources according to local Palestinian priorities using community-based decision-making.

To achieve this, we:

Link people who have resources – expertise, ideas, contacts, equipment, and other assets – with community activists who need those resources to serve their communities.

Fund inspirational and sustainable civil society initiatives, including community efforts that need just a small grant to supplement their local resources. A permanent endowment will be built over time to ensure sustainable income for current and future generations.

Involve people of all kinds in expanding traditions of philanthropy, volunteerism, and working together to strengthen the Palestinian social fabric.

Advocate for an international aid system that respects and responds to local priorities.

Letter from the Board Chair

Dear Friends,

As we write, Palestinians and justice-minded people around the world are still in shock about the Israeli attacks on the Gaza Strip. Our friends in Gaza describe the experience as “horrific.” At Dalia Association, we are asking ourselves, “Do we have a role as a community foundation in responding to such a tragedy?”

The need for food, medical care, and basic supplies is real, but Dalia Association is not likely to get involved with humanitarian relief. There are many other players, with far greater experience and resources. Why compete with their efforts when we can simply direct interested donors to those organizations that work efficiently, respectfully and according to local priorities?

Yes, we can direct donors to good relief organizations, but we must do more. We must thoughtfully prepare for the community needs that will arise when the immediate crisis is over – the phase of reconstruction. How will so much damage be repaired – health care facilities, schools, roads, electrical and water provision? And how will communities rebuild emotionally and psychologically from the devastating loss of family members and the nightmarish memories of being hunted for weeks without safety, without hope?

Yes, we can raise funds to make grants during the reconstruction phase, but we must do more. We must focus on the long-term. Community foundations are distinguished by the equal weight they give to the needs of the current generation and the needs of future generations. So for our long-term community health, we must strengthen community institutions with money, knowledge, infrastructure, and strategies so that future crises are prevented, or if not, at least they are handled by strong, local groups with the ability to promote resiliency and mitigate damage.

Yes, we can strengthen local institutions for the long-term, but we must do more. We must ask hard questions about the forces that perpetuate our oppression, including the international aid system that was built to “protect” Palestinians but has become part of our vulnerability and suffering.

- Why do donor countries send aid to Palestinians but allow Israel to continue the occupation, which is what necessitates aid, without consequences? Israel breaks international law but faces no consequences in the UN, and blatantly uses income from preferred trade relations and governmental assistance to oppress Palestinians.*
- Why do international donors have to pay for damage caused by Israel? Why don't we send a bill to Israel to pay for the cost of reconstructing infrastructure and rebuilding Palestinian society? If Israel paid for the damage it causes, international aid could be used for other needs in Palestinian society.*
- How can we disentangle ourselves from an aid system that disempowers local leadership and institutions by siphoning off resources to international and Israeli recipients and by creating decision-making processes that undermine Palestinian self-determination rather than promoting it? Palestinians need and deserve to control*

our own development resources, pursue our own priorities, empower our own leadership, and invest in our own capacities. These are Palestinian rights irrespective of statehood.

So after some soul searching, we have affirmed that Dalia Association does have a role in responding to the Gaza tragedy and beyond. Our role is to continue to believe in the power of local community and to invest in the capacity of local institutions and leaders, and at the same time, to expose and advocate for changes to Israeli occupation, colonization, and the international aid system.

We invite your participation.

Sincerely,

*Mohammad Shaheen, Ph.D.
Chair of the Board of Directors*

*Ramallah
March, 2009*



Letter from the Executive Director

Dear Partners,

Our work has been received with enthusiasm by local Palestinians and friends around the world. The idea that a local NGO would dedicate itself to the financial sustainability of the civil society sector is appealing. Still, many remain skeptical that it can work in Palestine, where the needs are so great, local philanthropy is under-developed, and internal and external political problems make every decision and every activity exhaustingly complex.

Now, two years since our founding, we are often asked, “How are things going with Dalia Association?” There are, in fact, two answers to this question.

Dalia Association is struggling. We are under-staffed and don't have enough money. The most important work we do is unplanned, responding to new opportunities or challenges, advocating for a grassroots organization in a bind, or following up on interest from a donor who wants to work in Palestine for the first time. Like many new local initiatives, we have a huge workload, and we work too hard. Nearly every day we face new challenges, and the path to growing the organization is not at all clear.

But at the same time, we are extremely committed, and we are encouraged by the tremendous interest in our work. We have been able to maintain high standards of quality and integrity, despite the challenges. More and more people – grassroots activists, civil society professionals, companies, professionals, young volunteers, philanthropic organizations around the world – are investing in our success. The future looks bright, and we are encouraged.

Some North American and European community foundations start with a large endowment donated by wealthy locals with strong civic pride and high expectations for the future. Community foundations in the third world, like Dalia Association, must take a different course. We must build credibility first, demonstrate our value, and then slowly recruit local donors, who may give in large amounts or may give very small amounts. The point is not the amount that is raised, but our belief in our ability to use our own resources well.

Join us!

*Nora Lester Murad, Ph.D.
Executive Director*

*Jerusalem
March, 2009*



Letter from the Community Organizer

Dear Brothers and Sisters,

Slowly the word is getting out to the local community about Dalia Association, an organization dedicated to helping them get the monetary and non-monetary resources they need to do their work in their communities. As a result, we are often visited by NGOs or volunteers who want to learn more and get involved. Their energy energizes us!

But working with the local community is challenging. People have gotten used to receiving, not giving. They have gotten used to being offered projects that inject cash (though never enough) into the local economy, but don't offer any sustainability. Trying to think and live in a new way requires hope that many people have lost through years of living under occupation.

We found our community-controlled grantmaking pilot, "The Village Decides," was critical to demonstrating our values and methodology. The experience, and the video we produced about it, demonstrate vividly that people make better decisions when they have control over resources for their own development and when they are accountable to their neighbors and colleagues in the local community.

We look forward to continuing our work for social change and expanding it dramatically. We also look forward to sharing our experiences and learning from colleagues in Palestine and around the world. By focusing on making better use of what we have and empowering people to lead their own development, we believe we can accomplish a great deal regardless of our political circumstances. And being stronger as a people will help us work smarter to resolve our economic and political problems as well.

With hope,

*Saeeda Mousa
Community Organizer*

*Ramallah
March, 2009*



Main Activities in 2008

LINKING people who have resources – expertise, ideas, contacts, equipment and other assets – with community activists who need those resources to serve their communities.

The idea behind our linking strategy is two-fold. First, there are resources within the Palestinian community – both locally and in the Diaspora – that can be better used. Second, there are resources available to Palestinians from international donors that many grassroots groups can't access because the gap (capacity, language, culture, etc.) between grassroots Palestinian groups and international donors is too large.



Meeting with Youthbank, a youth-led grantmaking program with activities in the West Bank and Gaza. Dalia Association is trying to raise funds for this worthwhile initiative.

Therefore, we use “linking” as a strategy to mobilize existing resources and direct them where they can best be used for social change and sustainable development at the community level. Sometimes we only need to make an introduction; other times we need to help design projects, write proposals, negotiate contracts, facilitate site meetings, etc.

- For the last year, Dalia Association has been working with the women of Beit Liqia, a village west of Ramallah, on their idea to build a beauty salon. We were able to help them develop their idea into a proposal, register their group as an NGO, submit for funding to the French Consulate in Jerusalem, and negotiate a two-year project in the amount of \$77,000 USD. We also brought in the Masrouji Company, a Palestinian company that works in the field, to assist the women with business planning. The process has been complex and difficult, but we believe the salon will be up and running for the 2009 wedding season this summer.
- Dalia Association introduced various Palestinian community-based organizations and NGOs to donors, including Sparkplug Foundation, USA; Foundation for the Future, Jordan; the Japanese Government; Wataniya Telecom, Ramallah; and others.

Often, the first step in “linking” is determining what the community organization has and what they need. We do this through a financial sustainability consultation. Each consultation is customized and may include coaching for the executive director and/or fundraising staff, referrals to financial or management professionals, and in some cases, assistance in preparing proposals for submission to international donors. In all cases, we stay in close relationship with community-based organizations and advise them of funding opportunities that we become aware of, making introductions to donors when appropriate. In 2008, financial sustainability consultation in one form or another was provided to:

- The Factory, Haifa
- Andlus Society, Kufr Manda, Galilee
- Wishah Popular Dance Troupe, Ramallah
- Sunbula, Jerusalem
- Family Defense Society, Nablus

FUNDING inspirational and sustainable civil society initiatives, including community efforts that need just a small grant to supplement their local resources, using community-based decision-making.



A member of the Farmers’ Committee prunes an olive tree using an electric chainsaw purchased with a Dalia Association grant. The Committee bought several pieces of equipment for loan to village farmers.



Children at the Murooj Cultural Center’s child care program. They used part of their grant from Dalia Association to buy a TV and DVD player to enrich the children’s educational experience.

Dalia Association completed its first community-controlled grantmaking pilot, “The Village Decides,” in Saffa village west of Ramallah. Villagers distributed \$12,000 in grant funds to four of their local community organizations. The organizations decided how to use the funds, and with our assistance, implemented activities according to their own priorities. The organizations gave a detailed narrative and financial report to the local community in a public meeting. The entire process was documented and is available on YouTube in several languages.

Dalia Association began planning a women’s leaders project through which women will build capacity to mobilize and strategically control resources, in the villages north of Nablus.

INVOLVING. At Dalia Association, we believe the *process* of social change is as important as the outcome. Therefore, we seek to INVOLVE people of all kinds in expanding traditions of philanthropy and volunteerism and working together to strengthen the Palestinian social fabric.

Our community outreach in 2008 included interaction with:

- Rozena, Birzeit Village
- Iradeh, Ramallah
- Aman Youth Organization for Health
- Khalil Sakakini Center, Ramallah
- Al-Taj for Health & Heritage Center, Arrabe, Galilee
- Al-Rowwad Children's Theater, Aida Refugee Camp, Bethlehem
- Alternative Tourism Group, Beit Sahour
- Union of Palestinian Youth, Nablus
- Injaaz
- Family Defense Society, Nablus
- Picture Balata, Nablus
- Palestinian Child Center, Kufr Na'emeh
- Youthbank, Ramallah
- Sunbula, Jerusalem
- 'Atara Village Club
- Center for Family Counseling, Al-Quds Open University
- Initiative of Young Artists
- Welfare Association, Jerusalem
- Women's Committee of Beit Liqia



Avila Kilmurray, Director of the Community Foundation of Northern Ireland, and her colleagues address a gathering of Palestinian civil society activists in Ramallah. They discussed the challenges of establishing community foundations in times of conflict.

ADVOCATING for change in the international aid system and for a just resolution to the Israeli-Palestinian conflict.

- Dalia Association actively works to put Palestine and Palestinians on the global philanthropic agenda. In 2008, Dalia Association attended the Regional Consultation for Arab Philanthropy in Dubai sponsored by the Mohammed Bin Rashid Al Maktoum Foundation and AUC's Gerhart Center for Philanthropy and Civic Engagement in the Arab World; the US Council on Foundations Leadership Summit in Washington, DC; the AWID/Global Fund for Women resource mobilization conference in Morocco; and the Canadian Community Foundations Network in Montreal.

- Our article, “Does the International Aid System Violate Palestinian Rights?” was published in the August issue of *This Week in Palestine*. It used international law and best practices in donorship to argue for popular participation in decision-making about how aid resources are used.
- We contributed substantively to several publications including “Collateral Damage: How the War on Terrorism Hurts Charities, Foundations, and the People They Serve” by OMB Watch and Grantmakers without Borders; “Philanthropy in Palestine,” in “From Charity to Change: Trends in Arab Philanthropy” published by AUC; *This Week in Palestine*; and a chapter on networking among civil society organizations in a forthcoming title from Cambridge University Press.
- We took part in the Advocacy Committee of Grantmakers without Borders and wrote regularly for www.HildyGottlieb.com. We hosted the Community Foundation of Northern Ireland and Southern Sinai Community Foundation on visits to Palestine.
- Our executive director was honored to be selected as a Senior Fellow by the Synergos Institute of New York.



Dalia

You can be a donor to and beneficiary of REAL Palestinian-led social change and sustainable development

Dalia Association is a new Palestinian community foundation that was founded by members of the Palestinian community from around the world. We are diverse in terms of religion, gender, age, and politics, yet we are united by our commitment to mobilize, invest, and distribute resources according to local Palestinian priorities using community-based decision-making.

With **YOUR** help, we can:

- **LINK** people who have resources — expertise, ideas, contacts, equipment, and other assets — with Palestinian community activists who need those resources to serve their communities.
- **FUND** inspirational and sustainable civil society initiatives, including efforts that just need a small grant to supplement local resources.
- **INVOLVE** people of all kinds in expanding traditions of local and Diaspora philanthropy, volunteerism, and working together to strengthen the Palestinian social fabric.
- **ADVOCATE** for an international aid system that respects and responds to local priorities.

Invest in Palestine by making a monthly contribution to our operating expenses, endowment, or grantmaking (e.g., youth, culture, social change, women).

Participate by volunteering with Dalia Association or a community-based organization that can utilize your unique skills.

Learn more and sign up for our e-newsletter at www.Dalia.ps or call Nora (English) at 0598-248-807 or Saeeda (Arabic) at 0599-734-357. We are based in Ramallah and are happy to visit your organization to discuss opportunities for mutual support.

www.dalia.ps

Advertisement in August issue of *This Week in Palestine*.



Nora Lester Murad (right) visits trashpickers cooperative in San Paolo with Synergos Institute as part of research on recycling options in Palestine.

Resource Mobilization

Since fundraising is not merely a means to an end but rather a way to promote philanthropy, we started several initiatives to promote local philanthropy and challenge the commonly-held belief that Palestinians are receivers not givers.

Contributors (cash, in-kind, or volunteer) in 2008

Jehad Abdou

Juliette Abu-Iyun - SUSTAINER*

Falastin Abu Romi

Abdel Fattah AbuSrour

Akwasi Aidoo

Hamada Abed H. Al-Bayari - SUSTAINER

Fatima Almana

Muthanna Al-Qadi

American Friends Service Committee, Jerusalem

American Friends Service Committee, Youth Program, Ramallah

Anonymous

Applied Information Management, El-Bireh - SUSTAINER

Aida Arar

Tasneem 'Atara

Deeb Azar

Na'ema Bani Odeh

Baransi & Company, Jerusalem

Birzeit University, Center for Continuing Education, Ramallah

Bisan Accounting Systems, Ramallah

Jumana Budeiri

Sam Bahour

Shadi Baker

Shireen Basha

Madeleine Gwertzman Birnbaum

Ellen Cantarow

Caplan & Drysdale Attorneys, Washington, D.C.

CARE International, Jerusalem

Commercial Press, Jerusalem

Community Foundation of Northern Ireland

Community Foundations of Canada



Nora Lester Murad visits the president of the Palestinian community in Brazil, Brazil to discuss Diaspora philanthropy.

* Sustainers have pledged to contribute monthly, quarterly or annually.

Council on Foundations, Washington, D.C.

Herman De Ley

Peter Farrah

Davina Gateley - SUSTAINER

Gerhart Center for Philanthropy and Civic Engagement in the Arab World, Cairo

Global Fund for Community Foundations, Brussels

Global Fund for Women, San Francisco

Grassroots International, Boston, Massachusetts

Samah Abuoun Hamad

Sarah-Eve Hammond

Malak Ibrahim Hamoudeh

Batool Jamal

Salwa Jaradaat

Nedal Hassassneh

Help4Nonprofits, Tucson, Arizona

Rami Hinnawi

Hiba Husseini - SUSTAINER

Lina Ibrahim

Hayyan Idrisi

Injaz (Junior Achievement), Ramallah

Institute for Jerusalem Studies, Ramallah

Lama Jamjoum - SUSTAINER

Iyad Joudeh

Amine Kaissi



The girls of St. Joseph's School in Ramallah produced an art exhibition, sold tickets, and donated their proceeds (over \$350 dollars!) to Dalia Association.

Marjorie Dove Kent
 Zein Khalaf
 Carol Khoury
 Samer Kokaly
 Haitham Khalife
 Katharine S. Lester - SUSTAINER
 Neal Lester
 Ann Lisi
 Basel Mansour - SUSTAINER
 Mar Yousef Girls School, Ramallah
 Jane Masri - SUSTAINER
 Iyad Masrouji
 Maha Mikhail
 Nora Lester Murad - SUSTAINER
 Rula Muzaffar
 Mary Onorato
 Open Society Institute, Switzerland
 Adriana Ponce – SUSTAINER
 Hadeel and Munir Qazzaz - SUSTAINER
 Thuqan Qishawi
 Issa Rabady
 Kate Rouhana
 Fadi Saba
 Mohammad Shaheen - SUSTAINER
 Shammout Center, Ramallah
 Azmi Shoaibi
 Azza Shoaibi - SUSTAINER
 Halla Shoaibi
 Rohna Shoul
 Amy Smith
 Shannon St. John
 Camilia Suleiman
 Synergos Institute, New York
 Cy and Lois Swartz
 Dorothy ThormanWINGS Global Fund for Community Foundations, Brussels
 Zeytouni, Ramallah
 Ashleigh Zimmerman
 Hussein Zuhoor



With help from King Hussein Cancer Foundation, we produced 15 collection boxes to test this way of promoting local giving.

Governance

As a community foundation we seek credibility and legitimacy in the eyes of the community that we serve. For us, this begins with our governance structure. We remain energized and focused on ensuring that our governance structure is entirely transparent and trustworthy. With this aim our governance philosophy hinges on the following principles:

- regular rotation of governance;
- everyone should be able to influence and no one should be able to control;
- transparency;
- competence;
- accountability;
- credibility to the community; and
- credibility to our contributors.

Board of Directors

Board members are committed to intense involvement and active participation in Dalia Association, above and beyond the norm for such a position. The maximum number of board members permitted according to our by-laws is 15, with the presidency of the board regularly rotated. The board meets approximately once a month, and those who are physically unable to attend (i.e., Gaza & Diaspora members) participate via electronic communication and telephone.

Juliette Abu-Iyun, from Jaffa but resident in Montreal, has a Master's Degree in Legal Studies from Aix-en-Provence and has been a member of the Israeli Bar since 1996. She has expertise in human rights, international law and international humanitarian law, with a specialization in refugee issues. Juliette works as a consultant to Non-Governmental Organizations and multilateral agencies, including United Nations Relief & Works Agency (UNRWA). She has extensive experience planning and leading innovative research, advocacy and other politically sensitive interventions in Palestine, Israel, Brussels, France and the United States. She worked as a researcher for Human Rights Watch in New York and Brussels and in Brussels for the Center for European Policy Studies. She ran a two-year participatory research project with refugees in Jalazon Camp, which she describes in the September 2006 issue of *Forced Migration Review*. She is fluent in Arabic, Hebrew, French and English.



Hamada Abed H. Al-Bayari is humanitarian affairs assistant for the United Nations Office for the Coordination of Humanitarian Affairs in the Gaza Strip. Previously he worked in development and public relations at El-Wafa Medical Rehabilitation Hospital and did field research and coordination for B'Tselem: The Israeli Information Center for Human Rights in the Occupied Territories, Civic Forum Institute, and National Democratic Institute for International Affairs. He has worked as a physiotherapy assistant and Arabic interpreter/translator for the French media. Hamada has a B.Sc. from the Islamic University in Gaza City.

Sam Bahour is a Palestinian-American businessman and activist based in Al-Bireh/Ramallah. He is Managing Partner of Applied Information Management, a management consulting firm specializing in business development with a niche focus on the information technology sector. Sam was instrumental in the establishment of PALTEL and the PLAZA Shopping Center and currently serves as a member of the Board of Trustees at Birzeit University in the role of treasurer. He is also a Director at the Arab Islamic Bank. Sam writes frequently on Palestinian affairs and has been widely published. He is co-editor of *HOMELAND: Oral History of Palestine and Palestinians*.



Davina Gateley (secretary), originally from Switzerland, has worked with Palestinian NGOs and grassroots organizations for the last 4 years while conducting her own research on the Palestinians in Israel. Currently she works with numerous Palestinian community-based organizations in Israel and volunteers for Dalia Association. She holds a M.Sc. in Global Politics from the University of London (her thesis focused on the feasibility of a Palestinian state) and a B.A. in History & Social Sciences from Manchester University, UK. Ms Gateley worked in London for 5 years in human rights organizations and charities, focusing on child abuse (NSPCC), women's rights, refugees (Refugee Council), and asylum seekers. She has been active in student politics and has volunteered in the community with deprived youth and children with special needs.

Lama Jamjoum, a Jerusalem resident, is the managing director of Aafaq Consultants, a multidisciplinary consulting network focused on the holistic development of communities in a globalized world. She has a Ph.D. in Epidemiology with an interdepartmental concentration in Public Health Genetics from the University of Michigan in Ann Arbor; a Master's degree in Public Health (Biostatistics) from the University of North Carolina in Chapel Hill; and a B.Sc. in Pharmacy from the University of Jordan in Amman. Lama completed a post-doctoral fellowship at the Center for Research on Ethnicity, Culture, and Health (CRECH) at the University of Michigan in the year 2000. She then worked as the director of Research at the Health, Development, Information & Policy Institute in Ramallah. She has extensive experience in managing health research and conducting program evaluations in Palestine, the United States, Canada, Lebanon, and India. Over the past few years, Lama has been involved in the production and global marketing of Palestinian art and cultural products.





Basel Mansour, a resident of Biddu village in the West Bank, is now completing his doctorate in Milan, Italy. He has worked for various Non-Governmental Organizations doing community development and research. Recently, Basel led field research in the villages and refugee camps in the Nablus area for an AusAid project and ran a capacity building project for a youth center in al-Amari refugee camp funded by the EU. He is a graduate in Economics from Birzeit University and will pursue an M.A. in International Cooperation and Economic Integration in Italy. Basel is a founding member and chairman of a Nawafeth Youth Forum.

Mohammad A. M. Shaheen (chair) is Dean of Public Health and Director of the Center for Development in Primary Health Care at Al-Quds University, where he has taught various subjects for over 20 years. He has a Ph.D. in Health Services Administration with a focus on health economics and policy research from the University of Pittsburgh, a Masters in Community Health from Purdue University and a B.Sc. in Medical and Nursing Sciences from the University of Jordan. One of the country's pioneers in advocating the role of the community as a partner in development and public health, he is a founding member of the Palestinian Health Policy Forum, which promotes policies responsive to the needs of the Palestinian people. He is a long-time board member and current vice president of Childwatch International. With extensive experience in collaborative work with researchers around the world, Dr. Shaheen has led or contributed to scores of evaluations, capacity building projects, and developmental interventions with multilateral agencies, International Non-Governmental Organizations, and Non-Governmental Organizations.



Azza Shoaibi works at Birzeit University, where she is completing her M.A. in public health. She is also a chief pharmacist at YazanCare in Ramallah. Previously she was the training and projects coordinator for Jerusalem Pharmaceuticals Company (JPHARM) in Ramallah, the largest pharmaceutical company and exporter in Palestine. Azza is involved in a wide range of community volunteer work, including serving as a lecturer and trainer for Injaz Association, a program that teaches business skills to Palestinian youth. Azza received her degree in pharmacy from the Jordanian University of Science and Technology in Irbid, Jordan,

and has been certified as a Project Management Professional (PMP) by the Project Management Institute (PMI) in the United States.

Nora Lester Murad, executive director, reports to the board of directors and Saeeda Mousa, community organizer, reports to the executive director. Jan Balliu coordinates our headquarters in Belgium on a voluntary basis.



Shannon St. John (second from right) with the board of directors and volunteers at our strategic planning retreat in Beit Sahour that she facilitated.

Other governance bodies include:

Ad Hoc Committees

These volunteer committees are established as and when the need arises. In 2007, we had a Governance Committee, Website & Database Committee, and a Resource Mobilization Strategy Group.

General Assembly

Community members representative of the Palestinian community make up our General Assembly. The General Assembly is the highest body of governance. It is responsible for holding Dalia Association accountable to the community to whom we are committed.

Dalia Association

**Auditor's Report and Financial Statements for the
year ended December 31, 2008***

Palestine Auditing & Accounting Co.
"Al- Abbasi & Co "
“Members of POLARIS International”
Certified Accountants & Financial Consultants

* Audited report approved by the Board of Directors (April 2009); pending approval by General Assembly per by-laws.

Dalia Association

Contents	Page
- Auditor's report	1-2
- Balance sheet as of December 31, 2008 – Exhibit "A"	3
- Statement of activities for the year ended December 31,2008 – Exhibit "B"	4
- Statement of cash flows for the year ended December 31, 2008 – Exhibit "C"	5
- Notes on the financial statements	6-8

Independent Auditor's Report

To Board of Director of Dalia Association

The report on the financial statements

We have audited the accompanying financial statements of Dalia Association, which comprise of the Balance Sheet as of December 31,2008, Statement of Activities & Statement of Cash Flows for the year then ended & a summary of significant accounting policies and other explanatory notes.

The opening balances were audited by another certified public account who issued an unqualified opinion on these financial statements on February 10, 2009.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the over all presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dalia Association as of December 31,2008, and its financial performance & it's cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matters

Without qualifying our opinion we draw attention to the following:

- Dalia Association was established in Belgium & till the date of issuing the financial statements, has not completed the registration of a branch in Palestine.

April 4, 2009

Ramallah- Palestine

Youssef Mohammad Hammodeh

License NO. 103/98

Dalia Association
Balance sheet as of December 31, 2008 **Exhibit " A"**

<u>Exhibit</u>	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Assets</u>		<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Cash on hand and at banks	(4)	21,956	17,484	15,776	11,877
Other current assets	(5)	378	-----	272	-----
Fixed assets, net	(6)	650	-----	467	-----
Total assets		<u>22,984</u>	<u>17,484</u>	<u>16,515</u>	<u>11,877</u>
<u>Net assets</u>					
Net assets ending of the year – Exhibit "B"		<u>22,984</u>	<u>17,484</u>	<u>16,515</u>	<u>11,877</u>
Total net assets		<u>22,984</u>	<u>17,484</u>	<u>16,515</u>	<u>11,877</u>

"Attached notes constitute an integral part of this statement"

Chairman

General Manager

Dalia Association
Statement of activities for the year ended December 31, 2008 Exhibit "B"

<u>Revenues</u>	<u>Note</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
		<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Contributions received	(7)	76,135	38,147	54,706	25,913
Total revenues		76,135	38,147	54,706	25,913
<u>Expenditures</u>					
Project expenses	(8)	43,880	10,521	31,529	7,147
General & administrative expenses	(8)	26,755	10,142	19,225	6,889
Total expenses		70,635	20,663	50,754	14,036
Change in net assets		5,500	17,484	3,952	11,877
Net assets beginning of the year		17,484	-----	12,563	-----
Net assets ending of the year – Exhibit "A"		22,984	17,484	16,515	11,877

"Attached notes constitute an integral part of this statement"

Chairman

General Manager

Dalia Association
Statement of Cash flows for the year
ended December 31, 2008

Exhibit "C"

<u>Exhibit</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Cash flows from operating activities</u>	<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Change in net assets – Exhibit "B"	5,500	17,484	3,952	11,877
<u>Reconciling change in net assets with net cash flows</u>				
Depreciation	140	-----	101	-----
Change in other current assets	(378)	-----	(272)	-----
<u>Net cash flows provided from operating activities</u>	<u>5,262</u>	<u>17,484</u>	<u>3,781</u>	<u>11,877</u>
<u>Cash flows from investing activities</u>				
Purchase of fixed assets	(790)	-----	(568)	-----
Net cash flows used in investing activities	(790)	-----	(568)	-----
<u>Net increase in cash & cash equivalent during the year</u>	<u>4,472</u>	<u>17,484</u>	<u>3,213</u>	<u>11,877</u>
Cash & cash equivalent beginning of the year	17,484	-----	12,563	-----
<u>Cash & cash equivalent ending of the year</u>	<u>21,956</u>	<u>17,484</u>	<u>15,776</u>	<u>11,877</u>

"Attached notes constitute an integral part of this statement"

Chairman

General Manager

Dalia Association
Notes on the financial statements

1. General:

Dalia Association was established in Belgium under registration number (0886043035) in accordance with the law of 27 June 1921 on not-profit associations, foundations and international not-for-profit associations, for a not-for-profit purpose under the name of the "Dalia Association", (hereafter the "Association"). The full and abbreviated names of the Association may be used separately. Arabic and English shall be the working languages of the Association.

The registered office of the Association is currently located at Dalia Association a.s.b.l. BP27 Gare de Bruxelles – Central Boulevard de Limperatrice3 1000 Bruxelles, RMP Bruxelles. The board of directors may decide, in accordance with its usual decision-making procedure, to transfer the association's registered office to anywhere in Belgium. The board of directors may set up administrative offices both in Belgium and abroad and the association is currently registering in Palestine .

Goals and Objectives of the Association:

The Association's goals and objectives are entirely devoid of a profit-making aim and include, but are not limited to, becoming a community-based organization that works throughout historic Palestine to empower the Palestinian community to be in control over resources needed to pursue local social justice and sustainable development initiatives, in pursuit of these goals and objectives, the Association may:

- secure non-traditional and local financing.
 - Mobilize community philanthropy and volunteerism.
 - Promote broad community participation in governance and problem-solving.
 - Make grants in a dignified manner and encourage other donors to do the same.
 - Facilitate and support capacity building.
- a. Link people who have resources expertise, ideas, contacts, equipment, and other assets with community activists who need those resources to serve their communities.
 - b. Fund hopeful, inspirational, and sustainable civil society initiatives, including community efforts that just need a small grant to supplement their local resources. A permanent endowment will be built overtime to ensure sustainable income for and future generations.
 - c. Involve people of all kinds in expanding traditions of philanthropy, volunteerism, and working to tether to strengthen the Palestinian social fabric.
 - d. Advocate for an international aid system that respects and responds to local priorities.

2. Financial statement:

The financial statement for the year ended December 31,2008 consists of financial statements of Dalia Associations branch in Ramallah.

These financial statements approved by management on session number on

3. Significant accounting policies:

A. Basis of Presentation:

The financial statements have been prepared under the historical cost convention, and on modified cash basis in accordance with International Financial Reporting Standards, issued by International Accounting Standards Committee.

The accounting policies are consistent with those used in the previous year.

B. Changes in accounting policies:

- International Accounting Standards Committee issued some changes over International Financial Reporting Standards on January 1, 2007, the preparation of these standards is the responsibility of Dalia Associations management. Dalia Association takes into consideration these standards, the preparation of these standards have no effect on the financial statements.
- The accounting policies used of the year & previous years are consistent.

C. Cash & cash equivalent:

Cash & cash equivalent consists of cash on hand & at banks.

D. Fixed assets:

Fixed assets include equipment and are shown at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range 20%. Gains and losses on the sale of fixed assets are recognized upon the disposal of such assets.

E. Foreign currencies:

The company conducts its transaction in USD, All records are kept in USD Foreign currency transaction operations are recorded based on the exchange rate on the same day. Current assets & liabilities in other currencies are transferred to USD based on the exchange rate on the date of the balance sheet. Any foreign exchange gains or losses are shown in the statement of activities.

The figures are translated to Euro currency according to Belgian law as follows:

	<u>2008</u>	<u>2007</u>
Euro/ USD	1.3917	1.47

F. Revenues & expense recognition:

Revenues recognized upon received & expenses when accrued

4. Cash on hand and at banks:

A. This item consists of the following:

<u>Details</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Cash on hand - B	652	497	468	338
Cash at banks	<u>21,304</u>	<u>16,987</u>	<u>15,308</u>	<u>11,539</u>
Total	<u>21,956</u>	<u>17,484</u>	<u>15,776</u>	<u>11,877</u>

B. We approved the books of cash on hand.

5. **Other current assets**

This item consists of the following:

<u>Details</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Prepaid expenses	378	-----	272	-----
Total	378	-----	272	-----

6. **Fixed assets, net**

This item consists of the following:

<u>Exhibit</u>	<u>Cost at</u>		<u>Accumulated depreciation</u>		<u>Net book value</u>			
	<u>31/12/2008</u>		<u>At 31/12/2008</u>		<u>2008</u>		<u>2007</u>	
	<u>USD</u>	<u>EURO</u>	<u>USD</u>	<u>EURO</u>	<u>USD</u>	<u>EURO</u>	<u>USD</u>	<u>EURO</u>
Equipment	790	568	(140)	101	650	467	-----	-----
Total	790	568	(140)	101	650	467	-----	-----

-7-

7. **Contributions received:**

Dalia Association is supported by grants from Wings Global Fund For Community Foundations, Grassroots International, & Foundation Open Society Institute as follows:

<u>Exhibit</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Grants	60,000	35,760	43,112	24,292
Donations	16,135	2,387	11,594	1,621
Total	76,135	38,147	54,706	25,913

8. **Project expenses:**

A. This item consists of the following:

<u>Details</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Rent	12,000	-----	8,623	-----
Website development	2,472	3,070	1,776	2,085
International travel	3,549	5,679	2,550	3,858
Translation	3,054	725	2,194	492
Printing and stationary	1,368	1,002	983	681
Charges	-----	45	-----	31
Strategic planning	4,750	-----	3,413	-----
Recording & filming	4,184	-----	3,006	-----
Hosting	1,106	-----	795	-----
Grant expenses	11,397	-----	8,189	-----
Total	43,880	10,521	31,529	7,147

B. General & administrative expenses:

This item consists of the following:

<u>Details</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>USD</u>	<u>USD</u>	<u>EURO</u>	<u>EURO</u>
Salaries	18,825	1,825	13,527	1,240
Advertising	1,540	-----	1,107	-----
Legal fees	535	6,092	384	4,138
Membership fees	225	180	161	123
Telephone and postage	1,376	588	989	399
Transportation	1,692	896	1,216	609
Stationary and office supplies	192	131	138	89
Gifts	360	190	259	129
Hospitality	358	146	257	99
Charges	197	94	142	63
Consultation	300	-----	215	-----
Accounting program	630	-----	453	-----
Board meetings	385	-----	276	-----
Depreciation	<u>140</u>	-----	<u>101</u>	-----
Total	<u>26,755</u>	<u>10,142</u>	<u>19,225</u>	<u>6,889</u>

9. Comparative Figures:

Certain comparative figures were reclassified to be proper with the current year. These classifications don't effect the net assets & changes in net assets.