

TRUST FUND GRANT AGREEMENT
FUNDED BY INTERNATIONAL DEVELOPMENT ASSOCIATION – IDA
MANAGED BY NGO DEVELOPMENT CENTER – NDC
PROJECT TITLE: GAZA EMERGENCY CASH FOR WORK AND SELF-EMPLOYMENT SUPPORT
STATEMENT OF PROJECT ACTIVITIES AND SCHEDULE OF THE MOVEMENTS OF THE PROJECT SPECIAL BANK ACCOUNT
FOR THE PERIOD FROM JANUARY 1, 2022 TO JUNE 30, 2022
AND INDEPENDENT AUDITOR’S REPORT

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Independent Auditor's Report to the Management of NGO Development Center (NDC) Jerusalem - Palestine

Our opinion

In our opinion, the financial statement of the Project titled "Gaza Emergency Cash for Work and Self-Employment Support" (hereinafter "Project's financial statement"), funded by the International Development Association (hereinafter "IDA"), managed and implemented by NGO Development Center (hereinafter "NDC"), for the period from January 1, 2022 to June 30, 2022, is prepared, in all material respects, in accordance with the basis of accounting described in Note (2).

What we have audited

The Project's financial statement comprises the financial statement of Project's Activities, for the period from January 1, 2022 to June 30, 2022 and the notes to the financial statement, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report.

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

Independence

We are independent of IDA and the NDC in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Codes). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note (2) to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to NDC and IDA. As a result, the financial statement may not be suitable for another purpose.

Our report is intended solely for NDC and IDA and should not be distributed to or used by parties other than NDC and IDA. Our opinion is not modified in respect of this matter.



Independent Auditor's Report to the Management of NGO Development Center (NDC) Jerusalem - Palestine (continued)

Responsibilities of management and those charged with governance for the financial statement

Management is responsible for the preparation of the financial information in accordance with the basis of accounting described in Note (2), and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


PricewaterhouseCoopers

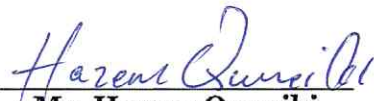
PricewaterhouseCoopers Palestine
Ramallah, Palestine
October 31, 2022

FINANCIAL STATEMENT OF PROJECT ACTIVITIES
 (All amounts in USD)

	Notes	Project Actual For the Period from January 1, 2022 to June 30, 2022	Project Actual For the Period from August 14, 2018 to December 31, 2021	Cumulative Project Actual For the Period from August 14, 2018 to June 30, 2022
Revenues				
IDA replenishments		-	17,000,000	17,000,000
Total Revenues		-	17,000,000	17,000,000
Expenses				
C1: Component I - Cash for Work (C4W)	(3)	59,516	12,440,484	12,500,000
C2: Component II - Internet-enabled self-employment (e-work)	(4)	593,088	2,400,000	2,993,088
C3: Component III - Project Management, Monitoring and Evaluation	(5)	135,931	1,364,069	1,500,000
Total Expenses		788,535	16,204,553	16,993,088
(Deficit) / Excess fund	(6)	(788,535)	795,447	6,912

- The above financial statement should be read in conjunction with the accompanying notes on pages 6 to 8.
- The financial statement on pages (4 to 8) was authorized for issue by the NGO Development Center (NDC) management on October 19, 2022 and were signed on their behalf.


Mr. Ghassan Kasabreh
 Director


Mr. Hazem Quneibi
 Finance Manager

SCHEDULE OF THE MOVEMENT OF THE PROJECT SPECIAL BANK ACCOUNT
 (All amounts in USD)

	<u>Notes</u>	For the Period from January 1, 2022 to June 30, 2022
Beginning cash balance		876,809
Cash receipts		-
Project cash disbursements		(735,760)
Excess of cash receipts over cash disbursement	(7)	141,049

- The above financial statement should be read in conjunction with the accompanying notes on pages 6 to 8.

NOTES TO THE FINANCIAL STATEMENT OF THE PROJECT ACTIVITIES AND SPECIAL BANK ACCOUNT

(All amounts in USD)

NOTE (1) GENERAL

NGO Development Center (NDC) was registered with the Ministry of Interior on March 4, 2006 under registration no. (QR 286-B) as a Palestinian Non-governmental Organization (NGO). NDC started its normal activities on July 1, 2006.

NDC is working hand-in-hand with the Palestinian NGOs and the community development organizations to enhance their service delivery and build more capable and representative Palestinian civil society. NDC programs and grants empower Palestinians by providing NGOs the skills, tools and funds they require to address social needs and promote self-reliance in adversity. The organization advocates greater NGO transparency and accountability through the adoption of professional financial and management practices and promotes sector-wide coordination and sharing of best practice experiences.

On August 14, 2018 NDC entered into a financing agreement "Trust Fund Grant Agreement" with International Development Association (IDA or the Bank) concerning the project titled "Gaza Emergency Cash for Work and Self-Employment Support" (the Project). Under this agreement, the IDA agreed to grant NDC an amount of USD 17,000,000 to implement the Project over the period from August 14, 2018 to June 30, 2022.

The objective of the Project is to provide Target Youth in Gaza with short term employment opportunities and increased access to internet-enabled self-employment opportunities.

The Project consists of the following parts:

Part 1: Cash for Work (C4W)

Provision of Cash for Work Sub-grants to Selected NGOs to implement Cash for Work Sub-projects employing Target Youth.

Part 2: Internet-enabled self-employment (e-work)

Provision of E-Work Sub-grants to Selected Service Providers to provide e-work support (skills training and on-the-job support) to Target Youth.

Part 3: Project Management, Monitoring and Evaluation

Strengthening the NDC's capacity for Project management, monitoring and evaluation through financing of office equipment, consultants' services, including audit, training and incremental operating costs.

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The Statement of the Project Activities and the Schedule of the Movement of the Project Special Bank Account were prepared under the modified cash basis of accounting. Under this basis, revenues are recognized when received and expenses are recognized when disbursed, modified for year-end accruals and prepayments.

b) Special Bank Account

As required under the signed agreement with IDA, NDC opened a special bank account for the Project as to make all withdrawals from this account which shall be solely used for the purpose of the Project.

c) Foreign currency

NDC maintains its books of accounts in USD which is the functional currency of NDC. Transactions denominated in other currencies were translated to USD using the exchange rate prevailing at the date of each transaction.

NOTES TO THE FINANCIAL STATEMENT OF THE PROJECT ACTIVITIES AND SPECIAL BANK ACCOUNT
 (All amounts in USD)

NOTE (3) C1: COMPONENT I – CASH FOR WORK (C4W)

Sub-grantee Name	For the Period from January 1, 2022 to June 30, 2022
Right to Live Society	59,516
	59,516

NOTE (4) C2: COMPONENT II - INTERNET-ENABLED SELF-EMPLOYMENT (E-WORK)

Sub-grantee Name	For the Period from January 1, 2022 to June 30, 2022
GGateway for outsourcing Information Technology	214,062
The Islamic University Gaza - Projects	202,129
University College of Applied Sciences	176,897
	593,088

NOTE (5) C3: COMPONENT III – PROJECT MANAGEMENT, MONITORING AND EVALUATION

Sub-grantee Name	For the Period from January 1, 2022 to June 30, 2022
Personnel	102,360
Operating Costs	33,571
	135,931

NOTE (6) DEFICIT / EXCESS FUND

This amount represents a fund balance for the period, which will be returned to the International Development Association – IDA.

NOTES TO THE FINANCIAL STATEMENT OF THE PROJECT ACTIVITIES AND SPECIAL BANK ACCOUNT
 (All amounts in USD)

NOTE (7) PROJECT SPECIAL BANK ACCOUNT BALANCE

This represents the balance of USD **134,137** outstanding in the Project special bank account as of June 30, 2022. This bank account details are as follows:

	<u>Details</u>
Bank	Bank of Palestine
Branch	Ramallah - Al Masyoun
Account number- IBAN #	PS95 PALS 0471 0600 0400 0130 0000 3

To reconcile the project special bank account with the report of project activities:

	<u>Amount</u>
Project special bank account balance	141,049
Project fund balance	(6,912)
Balance*	<u>134,137</u>

*This represents management fees incurred but still not withdrawn from the special banks account.

NOTE (8) PROJECT EXPENSES INCURRED DURING THE REPORT PERIOD AND PAID FROM THE SPECIAL BANK ACCOUNT AFTER JUNE 30, 2022, AND BEFORE OCTOBER 31, 2022.

	<u>Payment date</u>	<u>Amount</u>
GGateway for outsourcing Information Technology	August 17, 2022	14,062
The Islamic University Gaza - Projects	August 16, 2022	52,129
University College of Applied Sciences	August 18, 2022	26,897
ICR	October 27, 2022	20,000
Audit fees	October 25, 2022	11,113
NDC management fees	August 16, 2022	9,936
		<u>134,137</u>

APPENDICES

NGO Development Center (NDC)
Gaza Emergency Cash for Work and Self-Employment Support
For the Period from January 1, 2022 to June 30, 2022

Component I - Cash for Work (C4W)

No.	Project Name	Project No.	Allocated / Committed USD	For the period from August 14, 2018 to June 30, 2022	Balance
1	Palestinian Medical Relief Society	IDA.C4W.2019.001	415,451	415,451	-
2	The Society of Women Graduates in Gaza Strip	IDA.C4W.2019.002	645,233	645,233	-
3	Right to Live Society	IDA.C4W.2019.003	577,821	577,821	-
4	Union of Health Work Committees	IDA.C4W.2019.004	839,368	839,368	-
5	Democracy and Workers' Rights Center in Palestine	IDA.C4W.2019.005	733,701	733,701	-
6	MA'AN Development Center	IDA.C4W.2019.006	704,098	704,098	-
7	Fares Al Arab for Development & Charity Works	IDA.C4W.2019.007	353,786	353,786	-
8	Palestine Save the Children Foundation	IDA.C4W.2019.008	868,687	868,687	-
9	Atfaluna Society for Deaf Children	IDA.C4W.2019.009	834,612	834,612	-
10	Wefaq Society for Women and Child Care	IDA.C4W.2019.010	286,313	286,313	-
11	Bayader for Environment and Development Association (Bayader)	IDA.C4W.2019.011	978,016	978,016	-
12	General Union of Cultural Centers	IDA.C4W.2019.012	401,516	401,516	-
13	Save Youth Future Society	IDA.C4W.2019.013	346,559	346,559	-
14	Women's Affairs Technical Committee	IDA.C4W.2019.014	285,511	285,511	-
15	Beit Lahia Development Association	IDA.C4W.2019.015	987,950	987,950	-
16	INJAZ Palestine	IDA.C4W.2019.016	499,055	499,055	-
17	Teacher Creativity Centre	IDA.C4W.2019.017	275,508	275,508	-

NGO Development Center (NDC)
Gaza Emergency Cash for Work and Self-Employment Support
For the Period from January 1, 2022 to June 30, 2022

18	Al Tawasol Forum Society (TFS)	IDA.C4W.2019.018	386,639	386,639	-
19	Red Crescent Society for Gaza Strip	IDA.C4W.2019.019	278,119	278,119	-
20	Gaza Culture and Development Group	IDA.C4W.2019.020	537,693	537,693	-
21	Palestinian Organization for Development	IDA.C4W.2019.021	293,620	293,620	-
22	Palestine Avenir for Childhood Foundation- Cerebral Palsy Center	IDA.C4W.2019.022	274,381	274,381	-
23	Al-Azhar University Gaza	IDA.C4W.2019.023	696,363	696,363	-
Total			12,500,000	12,500,000	-

Component II - Internet-Enabled Self-Employment (E-Work)

No.	Project Name	Project No.	For the period from		Balance
			Allocated / Committed USD	August 14, 2018 to June 30, 2022	
1	GGateway for Outsourcing Information Technology, Gaza	IDA.C4W-E.2019.001	1,091,200	1,087,022	4,178
2	The Islamic University Gaza - Projects	IDA.C4W-E.2019.002	1,011,800	1,011,569	231
3	University College of Applied Sciences	IDA.C4W-E.2019.003	897,000	894,497	2,503
Total			3,000,000	2,993,088	6,912