

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 August 14, 2018 TO DECEMBER 31, 2019

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 information of the Project titled "Gaza Emergency Cash for Work and Self-Employment Support" (hereinafter "the Project"), funded by the International Development Association (hereinafter "IDA" or "the Bank"), and managed by NGO Development Center (hereinafter "NDC"), for the period from August 14, 2018 to December 31, 2019, 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 information comprises of:

- The statement of project activities during the year ended December 31, 2019;
- The schedule of movement of the Project special bank account; and
- The notes to the financial information, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial information* section of our report.

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

Independence

We are independent of NDC in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

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

Our report is intended solely for IDA and NDC and should not be distributed to or used by parties other than IDA and NDC.

The financial statement does not comprise a full set of financial statements prepared in accordance with the basis of accounting described in Note (2) to the financial statement. Our opinion is not modified in respect of this matter.



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

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

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 information

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 Palestine Limited

A blue ink signature of PricewaterhouseCoopers, written in a cursive, stylized font.

Ramallah, Palestine
May 17, 2020

STATEMENT OF PROJECT ACTIVITIES

(All amounts in USD)

	Notes	Project Actual For the Period from August 14, 2018 to December 31, 2019
Revenues		
IDA replenishments	(3)	7,779,317
Total Revenues		7,779,317
Expenses		
C1: Component I - Cash for Work (C4W)	(4)	4,238,080
C2: Component II - Internet-enabled self-employment (e-work)	(5)	900,000
C3: Component III - Project Management, Monitoring and Evaluation	(6)	503,445
Total Expenses		5,641,525
Excess fund	(7)	2,137,792

- The notes on pages 6 to 8 are an integral part of the financial information.
- The financial statement and accompanying notes on pages (4 to 8) was authorized for issue by the NGO Development Center (NDC) management on May 8, 2020 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>	<u>For the Period from August 14, 2018 to December 31, 2019</u>
Beginning cash balance		-
Cash receipts		7,779,229
Project disbursements		5,596,038
Excess of cash receipts over cash disbursement	(8)	<u>2,183,191</u>

- The notes on pages 6 to 8 are an integral part of the financial information.

NOTES TO THE FINANCIAL INFORMATION OF THE PROJECT 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 of three years; from August 14, 2018 to October 31, 2021.

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 INFORMATION OF THE PROJECT SPECIAL BANK ACCOUNT

(All amounts in USD)

NOTE (3) IDA REPLENISHMENTS

This amount represents the installments received from IDA:

Date	For the Period from August 14, 2018 to December 31, 2019
December 6, 2018	4,000,000
September 1, 2019	3,779,317
	7,779,317*

*This amount represents the actual amount transferred from the IDA before deducting the bank charges by Bank of Palestine.

NOTE (4) C1: COMPONENT I – CASH FOR WORK (C4W)

Sub-grantee Name	For the Period from August 14, 2018 to December 31, 2019
Beit Lahia Development Association	297,570
Bayader for Environment and Development Association	587,110
Palestine Save the Children foundation	261,325
Atfaluna Society for Deaf Children	251,875
Union Of Health Work Committees, Gaza	251,810
Democracy & Workers's rights Center	220,480
MA'AN Development Center	212,030
Al-azhar University Gaza	211,325
The Society of women Graduates in Gaza	389,050
Gaza Culture Development Group	162,215
Right to Live Society	154,050
Injaz Palestine	150,320
Palestinian Medical Relief Society	124,635
General Union of Cultural Centers (GUCC)	120,755
Al Tawasol Forum Society	117,530
Fares Al Arab for development & Charity Works	106,890
Save youth Future Society	104,495
Palestinian Organization for Development	88,710
Women's Affairs Technical Committee	87,495
Wefaq Society for women & Child Care	85,930
Red Crescent Society for Gaza Strip	85,510
Teacher Creativity Center	83,900
Palestine Avenir For Childhood Foundation	83,070
	4,238,080

NOTES TO THE FINANCIAL INFORMATION OF THE PROJECT SPECIAL BANK ACCOUNT
(All amounts in USD)

NOTE (5) C2: COMPONENT II - INTERNET-ENABLED SELF-EMPLOYMENT (E-WORK)

Date	For the Period from August 14, 2018 to December 31, 2019
Gateway for outsourcing Information Technology	327,360
The Islamic University Gaza - Projects	303,540
University College of Applied Sciences	269,100
	900,000

NOTE (6) C3: COMPONENT III – PROJECT MANAGEMENT, MONITORING AND EVALUATION

Date	From inspection to December 31, 2019
Personnel	338,251
Operating Costs	165,194
	503,445

NOTE (7) EXCESS FUND

This amount represents a fund surplus for the period, which will be carried forward to the next reporting period of project activity.

NOTE (8) PROJECT SPECIAL BANK ACCOUNT BALANCE

This represents the balance of USD 2,183,191 outstanding in the Project special bank account as of December 31, 2019. This bank account details are as follows:

	Details
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:

	Amount
Project special bank account balance	2,183,191
Project expenses over revenues	2,137,792
Balance*	45,399

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

APPENDICES

NGO Development Center (NDC)
Gaza Emergency Cash for Work and Self-Employment Support
For the Period from August 14, 2018 to December 31, 2019

C1 Component I - Cash for Work (C4W)

Project Name	Project No.	Allocated (committed amount) - US\$	For the Period from August 14, 2018 to December 31, 2019	Balance
General Union of Cultural Centers (GUCC)	IDA.C4W.2019.012	402,520	120,755	281,765
Palestinian Organization for Development	IDA.C4W.2019.021	295,704	88,710	206,994
Al-Azhar University Gaza	IDA.C4W.2019.023	704,426	211,325	493,101
Save Youth Future Society	IDA.C4W.2019.013	348,312	104,495	243,817
Palestine Save the Children Foundation	IDA.C4W.2019.008	871,092	261,325	609,767
Bayader for Environment and Development Association	IDA.C4W.2019.011	978,520	587,110	391,410
Beit Lahia Development Association	IDA.C4W.2019.015	991,906	297,570	694,336
Gaza Culture Development Group	IDA.C4W.2019.020	540,714	162,215	378,499
Al Tawasol Forum Society	IDA.C4W.2019.018	391,773	117,530	274,243
Fares Al Arab for Development & Charity Works	IDA.C4W.2019.007	356,308	106,890	249,418
Teacher Creativity Centre	IDA.C4W.2019.017	279,666	83,900	195,766
Democracy and Workers' Rights Center in Palestine	IDA.C4W.2019.005	734,925	220,480	514,445
MA'AN Development Center	IDA.C4W.2019.006	706,772	212,030	494,742
Injaz Palestine	IDA.C4W.2019.016	501,060	150,320	350,740
Palestinian Medical Relief Society	IDA.C4W.2019.001	415,451	124,635	290,816
Palestine Avenir for Childhood Foundation-				
Cerebral Palsy Center	IDA.C4W.2019.022	276,891	83,070	193,821
Red Crescent Society for Gaza Strip	IDA.C4W.2019.019	285,038	85,510	199,528
Right to Live Society	IDA.C4W.2019.003	513,500	154,050	359,450
Women's Affairs Technical Committee	IDA.C4W.2019.014	291,647	87,495	204,152
Wefaq Society for Women & Child Care	IDA.C4W.2019.010	286,424	85,930	200,494
Union of Health Work Committees	IDA.C4W.2019.004	839,368	251,810	587,558

NGO Development Center (NDC)
Gaza Emergency Cash for Work and Self-Employment Support
For the Period from August 14, 2018 to December 31, 2019

C1 Component I - Cash for Work (C4W)		(continued)		
Project Name	Project No.	Allocated (committed amount) - US\$	For the Period from August 14, 2018 to December 31, 2019	Balance
Atfaluna Society for Deaf Children	IDA.C4W.2019.009	839,576	251,875	587,701
The Society of Women Graduates in Gaza	IDA.C4W.2019.002	648,407	389,050	259,357
		12,500,000	4,238,080	8,261,920

NGO Development Center (NDC)
Gaza Emergency Cash for Work and Self-Employment Support
For the Period from August 14, 2018 to December 31, 2019

C2 Component II - Internet-enabled self-employment (E-Work)

Project Name	Project No.	Allocated (committed amount) - US\$	For the Period from August 14, 2018 to December 31, 2019	Balance
GGateway for Outsourcing Information Technology	IDA.C4W-E.2019.001	1,091,200	327,360	763,840
The Islamic University Gaza - Projects	IDA.C4W-E.2019.002	1,011,800	303,540	708,260
University College of Applied Sciences	IDA.C4W-E.2019.003	897,000	269,100	627,900
		3,000,000	900,000	2,100,000