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Near East Foundation 2019 IMPACT REPORT





Since 1915, NEF has worked to build *more sustainable, prosperous, and inclusive communities* through education, community organizing, and economic development initiatives.

A MESSAGE FROM OUR PRESIDENT

Each year, I look forward to the opportunity to reflect on the past year and take stock of the progress the Near East Foundation has made with the support of our partners and donors. While challenges undoubtedly persist as conflict, displacement, inequity, and climate shocks continue to shape the communities where we work, so too do perseverance, progress, and community-led action. Even when turmoil and civil strife strike, as it did in the past year, NEF's commitment to community ownership and local capacity makes it possible to quickly adapt and respond. I am proud to report that NEF's impact in 2019 once again affirmed that tailored, locally supported action translates into meaningful change for vulnerable communities and results in tangible solutions to persistent development challenges.

This past year in Mali and Senegal, NEF worked with local authorities to strengthen climate finance systems and to fund community-prioritized investments that improve the resilience of natural resource dependent communities. In Jordan and Lebanon, we continued to help people earn an income safely through our community-based livelihood support hubs (Siraj Centers). We have now broadened these services to offer access to finance and advanced business development training to support business growth and sustainability. We expanded our network of Siraj Centers to Syria and Iraq to accelerate community-led economic and agricultural recovery, helping people who were displaced from their homes by conflict to find ways to sustainably rebuild. And in Palestine, NEF facilitated collaboration between a private Israeli irrigation company, local financial institutions, and Palestinian farming cooperatives to improve irrigation technology, crop yields, and incomes for farmers.

Our greatest assets continue to be our local staff and partners, whose deep understanding of their communities allows NEF to deliver responsive and effective programs that combat the root causes of poverty and support upward mobility for those who need it most. While the frequency and scale of humanitarian crises are daunting, I remain confident in the potential to achieve lasting impact. I am uplifted by the resolve, determination, and ingenuity of our team, partners, and the individuals we serve. I hope you too find promise in these pages for what our collective action can achieve.

I am deeply grateful for your support. It makes all of the impact reflected in this report possible. Thank you for your continued commitment to building a more equitable and prosperous world.

With sincere gratitude,



Charles Benjamin



OUR APPROACH

At NEF, we believe in the right of all people to build and sustain decent, dignified lives. We partner with communities across the Middle East, Africa, and the Caucasus to build economic and social resilience, creating opportunities for people to access the knowledge and skills needed to secure safe and sustainable livelihoods and to exercise their voice as true participants in steering their societies. We strive to support those who are most vulnerable, including refugees, displaced people, host communities adversely impacted by displacement, people living in conflict zones, survivors of gender-based violence, marginalized youth, people with disabilities, and women.



2019 MILESTONES



2 new pilots

launched to strengthen NEF business support services

NEF Iraq

established to support post-conflict economic recovery

4-star rating

from Charity Navigator for 5th consecutive year

Commitment to climate resilience

made at the 2019 UN Secretary General meeting

INCLUSIVE ECONOMIC DEVELOPMENT

In partnership with local community associations, we promote economic independence and social resilience through entrepreneurship, access to finance, and peer networks. Understanding that transformative, systemic change requires investments at the individual, community and institutional levels, we focus on building the capacity of individual entrepreneurs and their communities. Our programs prioritize underserved and hard-to-reach entrepreneurs and build the local capacity of institutions to be more inclusive of these populations.





14,765 people with increased income through business expansion



7,295 people trained in financial literacy and business management



Spotlight: Siraj Centers

In Arabic, *siraj* means "lamp" or "light". NEF's Siraj Centers are community-based livelihood support hubs that help vulnerable people safely find employment, start businesses, and improve their incomes. Through tailored training, access to resources, peer networking, and market access facilitation, Siraj Centers help people gain transferable skills, create sustainable livelihoods, improve economic resilience, and gain a sense of community to cope with the challenges they face. Siraj Centers provide a beacon of hope, lighting the way forward.

Siraj Centers are community-run. They share standardized training curricula, educational materials, operating procedures, and quality standards. NEF's micro-franchise model for these hubs helps ensure high-quality programming to support economic recovery that is tailored to each community's needs. The NEF Siraj Center network currently includes 15 centers in underserved communities in Lebanon, Jordan, Syria, and Iraq.



Building Resilience Among Syrian Refugees and Vulnerable Lebanese

With the highest number of refugees per capita in the world, a national economy on the decline and poverty on the rise, Lebanon increasingly faces challenges associated with a protracted crisis. Vulnerable groups, especially women and youth, are particularly at risk of socio-economic marginalization. As the challenges grow, so too does the need for economic development alongside humanitarian assistance.

In 2019, we drew on longstanding partnerships to grow the capacity of two local organizations, arcenciel and Hadatha. Employing NEF's Siraj Center model and with NEF support, these organizations were able to provide crucial entrepreneurial assistance and needed vocational training, helping 1,198 women and 457 men launch or expand businesses and improve their incomes.

8,200

vulnerable entrepreneurs have received support services from Siraj Center staff in Lebanon and Jordan since 2015

Establishing a Revolving Credit Fund for Microenterprise Growth in Jordan

Vulnerable entrepreneurs in Jordan are often unable to access credit to grow their businesses due to their perceived risky lending status, informed by limited credit and assets, lack of sufficient documentation, and more. To help promising entrepreneurs access needed credit, we are piloting a community-based revolving loan fund in Jordan. Loans are provided to graduates of our micro-enterprise development programs alongside non-financial services, like peer-to-peer mentorship, small group coaching, and ongoing business mentoring.

NEF partnered with Azrag Women Productive Cooperative Association to operate one of the funds and trained their staff to become master trainers themselves, equipping them with the skills, systems, tools, and information needed to support entrepreneurs and administer the loan program. The fund is expected to support more than 80 vulnerable entrepreneurs to grow their enterprises, improve their income, reduce their debt, and provide employment opportunities for members of their communities.



Vardenis, Armenia

Astghavard, a therapy center for children with disabilities, upgraded their textile enterprise with NEF's support.



of adults are unbanked in the Middle East and North Africa



Developing Social Enterprise in Armenia

Armenia ranks 55 out of 148 on the Gender Inequality Index: women's labor force participation is much lower than men and most women lack resources to attain economic security and self-reliance. Domestic violence is a pervasive issue and is taboo in public discussion. These challenges perpetuate a cycle of violence for women in Armenia and contribute to their isolation.

Through the EU4Women: Economic Empowerment through Social Enterprise project, we worked with 12 women's empowerment organizations to establish or expand social enterprises. The resulting enterprises ranged from a commercial greenhouse to a community cafe to a guest house and hostel. In addition to encouraging financial sustainability for the organizations themselves, this project has indirectly benefited more than 600 vulnerable women through employment, training, and support.



Supporting Youth Employment and Enterprise Growth in Morocco

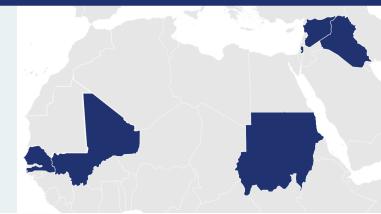
Moroccan youth face unemployment rates of nearly 25% and unemployed youth are at greater risk of marginalization and radicalization. Entrepreneurship can provide a pathway to economic security, but young entrepreneurs often lack necessary soft skills, access to credit, and insights into high-potential entrepreneurial opportunities. To build the entrepreneurial ecosystem in the Safi-Marrakech region, we engaged nine local business development service providers to build their capacity to support high-potential youth entrepreneurs. Working across the public, private, and social sectors, with innovative local partners like the Emerging Business Factory, we launched a #BuyLocal campaign and engaged 240 small business owners in trainings on business management and expansion.

> of youth say they are more financially independent and have 93% training programs in Morocco

an improved outlook on the future after participating in NEF's enterprise

CLIMATE RESILIENT DEVELOPMENT

Working hand-in-hand with local communities, we help smallholder farmers and other natural resource-dependent groups protect their livelihoods, maintain their food security, and adapt their incomes in the face of climate shocks and stresses. We work to build local capacities that ensure communities have tools and resources to invest in climate resilient strategies, to sustainably and peacefully manage shared agricultural and natural resources, and to adapt and diversify resource-dependent livelihoods.



852,591 individuals with improved food security

658 infrastructure repairs and upgrades



climate investments



partner organizations with capacity built

Spotlight: Decentralized Climate Funds

International sources of funding to combat climate change are increasingly available, but how does this money reach those on the frontlines of the climate crisis? Often, funds are channeled to multilateral actors, centralized national authorities or to non-governmental organizations rather than the local governments that hold primary authority over natural resource management and adaptation. Decentralized climate funds, however, use existing governance systems to make funds available to local communities, activating local planning committees to identify and prioritize investments in consultation with community stakeholders.

Through the DFID-funded BRACED program, NEF and its partners worked with communities and governments to pilot decentralized climate funds in Mali and Senegal. Working within existing governance frameworks, the project built local capacities to manage climate adaptation funds and to invest in locally prioritized resilience projects in a transparent and accountable manner.



In 2019, we joined the Global Resilience Partnership, a consortium of public and private organizations working toward a resilient, sustainable and prosperous future for vulnerable people and places.



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Investing in Climate Resilience in Mali and Senegal

Climate change is exacerbating already challenging environmental conditions in Sahelian communities, where most people rely on agriculture and natural resources to sustain their livelihoods. In Mali and Senegal, climate extremes manifest in droughts, floods, and wildfires. Climate change is causing higher temperatures and increasingly unpredictable rainfall and weather patterns, impacting food security and local economies for rural populations in the Sahel.

Between 2015 and 2019, we worked with national, regional, and local governments in Mali and Senegal to establish local climate adaptation funds that finance 'public good' investments designed to build community resilience to climate change. In partnership with Innovation, Environnement et Développement en Afrique and the International Institute for Environment and Development, we worked with community members to prioritize and implement 150 resilience investments that benefited over 900,000 people, spanning forest restoration, agricultural development, pastoral management, and water management systems. Vulnerable communities were prioritized through investments in participatory, local level processes that included women and youth.





of those in the non-timber forest product sector are women

In the Mopti region of Mali, we are working to reduce poverty and conflict while improving food security and climate resilience through inclusive community management of shared resources, built capacity for conflict mitigation and management, enhanced agricultural production, and greater market orientation for key agricultural value chains, such as rice, sesame, fonio, and non-timber forest products. Between 2012-2019, this work improved the food security of more than 130,000 people, introduced eco-efficient practices across more than 4,000 acres, and supported the development of more than 20 water resource management plans.

Fostering Women's Resilience in Sudan

Millions of people depend on non-timber forest products for income and subsistence. However, many small-scale producers and harvesters in Sudan lack access to information on markets and sustainable management practices. Barriers are greater for women, who play a significant role in collecting, harvesting and selling, yet historically have weaker negotiating positions with traders.

In partnership with Friends of Peace and Development Organization and Abna Al-Sudan Development Organization, we are strengthening women's associations to help women upgrade their non-timber forest products, develop formal packaging and branding, and establish better linkages with wholesalers. These efforts reduce local forest degradation, protect resource-based livelihoods, and increase income.



Improving Agriculural Water Mangement in Palestine

Restricted access to land, water, agricultural inputs, and markets has harmed the Palestinian agricultural sector. Cut off from new and improved agricultural technologies, Palestinian farmers rely heavily on traditional practices, making it challenging to increase their productivity and incomes.

To address this challenge, we established a public-private partnership to facilitate the adoption of advanced farming technology and overcome water scarcity in the Palestinian agricultural sector, while increasing farmers' crop yield and access to capital. Working with Netafim, the Palestinian Center for Agriculture Research and Development, three local banks, and the Palestinian Vegetable Council, we helped more than 100 farmers adopt advanced irrigation systems with crop management technologies. The new technology led to reduced water and fertilizer use while simultaneously increasing productivity and incomes.

Greenhouse, Jenin

State of the art 'fertigation' technology is helping farmers grow more with less.

PEACEBUILDING & STABILIZATION

We are building and enhancing economic relationships across lines of division to help promote stability through improved trust and cooperation. We promote sustainable economic development in conflict and post-conflict areas alongside conflict prevention and management training to mitigate the drivers of fragility. We further support the integration of disenfranchised populations, including young people in peri-urban slums, people internally displaced by conflict, and refugees.











Spotlight: Cross-border Economic Cooperation

Cross-border economic cooperation offers a structured, depoliticized process for building trust, understanding, and capacity for collective action in pursuit of shared interests. Working with groups in conflict to foster an environment conducive to exchange, cooperation, and mutually beneficial partnerships lays the groundwork for improved collaboration, conflict management, and economic prosperity for individuals and communities. This takes different forms depending on the root causes and consequences of conflict.

The olive sector in Israel and Palestine, for instance, offers a unique opportunity to cultivate peace given its deeply rooted cultural significance and economic potential. This was the driving force behind NEF's groundbreaking USAIDfunded Olive Oil Without Borders program from 2011 to 2019, which facilitated productive partnerships between Israelis and Palestinians in the olive sector and led to the first-ever joint policy commission — allowing for the export of 4,500 metric tons of Palestinian olive oil to Israel and generating \$30 million USD in new income.

Creating New Opportunities For Olive Growers

The protracted conflict in Israel and Palestine has undermined livelihoods and opportunities for collaboration, especially so in the agricultural sector. As neighbors to the conflict, Jordan has played a critical role in supporting regional stability. The olive industry is the cornerstone of rural livelihoods in Palestine, Jordan, and Israel, and provides a point of cooperation and common interest from which to build new relationships, institutions, and enterprises.

Building on the success and momentum of Olive Oil Without Borders, NEF expanded this effort to new communities in Israel, Palestine, and Jordan to strengthen cross-border economic cooperation and promote long-term, largescale collaboration in the olive sector. From 2016 to 2019, we worked with



Siraj Center, Syria

Syrian food processors are using improved techniques to dramatically increase their incomes, with NEF's support.

1,000 farmers across 37 communities to improve farming techniques, production, and income generation. The initiative brought together business, policy, and academic leaders including the Palestinian Center for Agricultural Research and Development, the Peres Center for Peace, Syracuse University's Maxwell School of Citizenship and Public Affairs, and the Israeli and Palestinian Olive Oil Councils.

Supporting Conflict-Affected Economies in Syria and Iraq

Communities in Syria and Iraq continue to suffer from the effects of ongoing or recent conflict. While many internally displaced persons and refugees hope to return to their home communities, they often face a lack of livelihoods opportunities and a challenging business environment when they return.

In Syria and Iraq, we are working to help people recover their livelihoods and access needed vocational training. In 2019, we worked across our eight Siraj Centers in Syria to engage more than 12,000 farmers and food producers and support the launch or expansion of 1,687 businesses. We also established an office and two Siraj Centers in Iraq, where we are working to help 1,000 people access the training and resources they need to safely find employment and start small businesses.



WATER, SANITATION & HYGIENE

Through cross-sector partnerships, we build the capacity of local organizations to improve access to clean sources of water, adequate sanitation, and good hygiene for highly vulnerable individuals. Our approach combines water, sanitation, and hygiene (WASH) programming with civic engagement and private sector development to minimize the risk of disease and enable conflict-affected populations to improve their well-being in a safe and dignified way.





people with improved access to potable water

3.168

water infrastructure repairs and upgrades



hygiene and sanitation kits distributed



partner organizations with capacity built

Spotlight: Market-based WASH

Market-based WASH introduces a livelihoods approach to water, sanitation, and hygiene through skills building and income generation. For NEF, mainstreaming this emerging development approach includes developing and promoting collaborative or individual WASH entrepreneurship activities; coordinating and investing in market-based WASH interventions through private-public partnerships; and developing the capacity of local civil society organizations to lead and sustain local WASH programs. In 2019, we piloted market-based WASH programming in conflict-affected communities in Sudan and Lebanon and published a learning paper detailing the challenges and results.

600 million people globally lack access to improved water sources

Reducing the Risk of Mortality in Sudan

Due to persistent conflict in Sudan, basic infrastructure-most notably water and sanitation infrastructure-has either been destroyed or suffers from a lack of maintenance. A scarcity of parts, tools, and trained mechanics has left many hand pumps non-functional, severely reducing the amount of water available to communities. Further, a lack of latrines and good hygiene practices puts many communities at high risk of morbidity.

NEF works with local community associations, called supra village associations, in South Kordofan and Central Darfur to reduce the risk of sickness and death among conflict-affected populations by establishing community water and sanitation committees. In 2019, we worked with the local committees to

254,000

benefited from NEF's

WASH work in Sudan

people have

make 3,677 WASH infrastructure repairs and upgrades and distributed 13,085 WASH kits which included hygiene and sanitation education materials. Our marketbased WASH project supported the construction of 683 latrines, including twelve at local markets and one at a school. To support long-term sustainability, we trained local craftspeople and artisans to manufacture and rehabilitate water pumps and latrines.

Working with Local Municipalities in Lebanon

More than 40 years of instability in Lebanon, including civil war, political upheaval and regional conflict, has put a strain on infrastructure including housing, schools, water, and waste management. Within Lebanon, half of the country's water is lost due to broken pipes and 92% of sewage runs untreated into water courses. Further, nearly one-third of refugees in Lebanon lack access to clean water.

Our market-based WASH project in Lebanon engaged local governments in publicprivate partnerships. NEF worked with six municipalities to develop plans for improved trash collection and safe water treatment to benefit more than 140,000 residents. In the end, the pilot project distributed 578 waste bins, 3 garbage collection trucks, and a water filter to improve water quality and hygiene – and yielded valuable learnings for the future of market-based WASH in Lebanon and beyond.





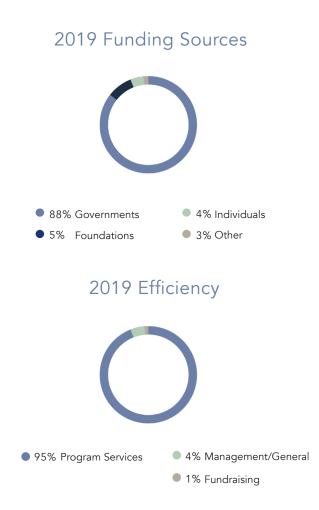
FINANCIALS

NEF is committed to providing the highest levels of transparency and efficiency. See our complete FY2019 consolidated financial report at www.neareast.org/resources/#financial-reports

Revenue

2019 \$17,067,336 2018 \$16,537,456 2017 \$15,201,317 Expenses 2019 \$16,481,911 2018 \$16,473,244 2017 \$15,020,213

NET ASSETS BEGINNING \$6,168,926



ENDING \$6,754,351

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A community of generous donors makes our work possible. We are grateful for every donation we receive and we hope that you will continue to support NEF long into the future.

To see the complete list of donors for the July 1, 2018 - June 30, 2019 fiscal year, please visit: www.neareast.org/2019-impact-report

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95%

of donations go directly to

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NEF delivers high impact programs while keeping our overhead costs low, making the most of your donation. Your support of NEF helps build knowledge, strengthen voices, and create economic opportunity for those that need it most.



CHARITY NAVIGATOR

For the 5th year, NEF earned a 4-star rating from Charity Navigator, America's largest independent charity evaluator. Only 13% of charities achieve this top rating.



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BBE

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NEF is consistently recognized as a vetted member of the GlobalGiving community for being a trusted partner and global change-maker.

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ENDING POVERTY STARTS WITH AN OPPORTUNITY.



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