

NEAR EAST FOUNDATION

FOUNDED IN 1915



2002 ANNUAL REPORT



From the Chairman and the President

It would be hard to call it a good year.

The twelve months from July 2001 through June 2002 covered by this Annual Report were momentous ones for our nation and the world. This was the year of the great tragedy of September 11, of increased fighting and deteriorating living conditions in many parts of the world, and of severe distress in the economy of the United States.

Yet for the Near East Foundation (NEF) it was a year of accomplishment and service. In some of the areas of greatest need, our work made a positive difference. We hope this report will help you to see what we mean.

Many organizations like NEF work in a single location or engage in a single kind of

work. Our approach has developed differently. We work in different places throughout the Middle East and Africa, and we are involved with a wide variety of development projects.

What distinguishes the work of the Near East Foundation is *how* we work: our program is about people and the way we work with them.

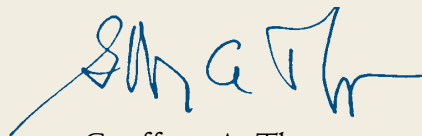
In its 1933 annual publication, NEF described its “concept of practical philanthropy” as “going to the people of other lands with an idea of sharing knowledge and methods instead of with an attitude of superiority.”

Though we might describe it today using different words, that is still what we do.

Through participatory engagement at the grassroots level,

NEF works in partnership with local people to determine what will meet their needs, what we can learn from them, and what project design and approach will best assist them.

Building these partnerships of trust and equality bodes well not only for the success of our programs but for the future of international relations. NEF is not only helping to strengthen local communities, but we are also building a community of trust and friendship with the people of the Middle East and Africa. To accomplish this we have depended upon a dedicated staff, committed volunteers, and generous supporters. NEF is grateful to all of you, and we invite your continuing involvement in our mission.



Geoffrey A. Thompson
Chairman



Richard C. Robarts
President

On the cover: Hundreds of young girls and boys from Darb al-Ahmar, the ancient heart of Islamic Cairo, participate in Near East Foundation educational and cultural programs. NEF's arts activities expose these children—usually for the first time—to music and drama performance, as well as painting, drawing, pottery, and papermaking.

“NEF is focused upon the crux of the development problem like no other organization today. This problem has been, is, and will be discovering how to more equitably distribute power.” —Lyle Jaffe

In December 2000 Lyle Jaffe completed twelve years of working with NEF as field director in Lesotho.

What NEF is About

Ask people whether the world today is a complex place. Undoubtedly they will answer affirmatively. Yet somehow when it comes to dealing with some of today's most intractable problems, the same people may expect solutions which look simple.

Over the nearly ninety years of its existence, the Near East Foundation has known that complex problems demand complex solutions, solutions that are multi-faceted. That is why our programs are so diverse. That is why they are hard to explain easily. And that is why they are successful.

In fact, while its activities are diverse, NEF's approach as a development organization is integrated and consistent. It is simple. It hinges on how NEF works with people.

When NEF is invited into a community, field staff engage inclusive groups of local people in discussions to discover their needs and to hear their own analysis of their circumstances. NEF trusts the poor and seeks to empower them to solve

their problems and develop their communities. Those who live inside a situation know best what possible solutions can improve their lives, even if they do not have the technical expertise or economic resources to bring the solutions about. NEF's role is to be a catalyst and to help communities gain the necessary expertise and resources.

Invariably, as projects develop, new issues arise. For example, NEF's micro-credit project in Mali makes small loans—mostly to women—for such things as purchasing livestock or sewing machines which allow them to produce goods and help support their families.

Almost all borrowers repay their loans quickly. However, program managers discovered that the small percentage who defaulted usually did so because they had died or become disabled from the complications of pregnancy and childbirth. This awareness led NEF staff in Mali to help the people develop a childbirth health education and maintenance program to complement the micro-

credit scheme. Thus this program, like others have, became more complex—combining both economy and health.

For ease of presentation, the following pages divide NEF's programs and projects into five categories related to the type of work involved: Education, Health, Environment, Economy, and Governance. Such divisions are admittedly artificial and somewhat arbitrary. They are simply hooks upon which to hang pictures of the varied projects NEF has been doing in the past year.

Further, space precludes describing most of the scores of individual projects in which NEF is involved in a dozen countries. The goal is to show through examples something of the breadth and variety of NEF's involvements throughout the Middle East and Africa. These projects help NEF realize its simple goal: to work in partnership with local people and help them realize their multi-faceted solutions for sustainable development and better lives.

Education

ENRICHING people's lives through knowledge and understanding, all NEF programs focus in some way on education as a practical means of developing personal capabilities and escaping poverty.

From the urban classrooms of Cairo and the cities and towns of Jordan to the arid valleys near Ourzazate in southern Morocco, people learn together every day in customized NEF education initiatives. Literacy courses in their local languages empower thousands of women in Morocco and Mali where their national governments have no such programs.

Simply being able to read and write means that these women can make informed choices for their families and can become active leaders in their local communities and national society. A newspaper

can be read, a sickness avoided, a choice made, and a meaningful vote cast.

Practical training offered by the Swazi organization Vusumnotfo ("up-lifting the economy") helps people develop their skills in leadership and management. Hundreds of specially designed courses in Egypt, Yemen, Sudan, Lebanon, and Jordan focus on activities as diverse as organizational development, beekeeping, micro-finance, fish-farming, nursing, and photography. In Cairo's Darb al-Ahmar neighborhood, children go beyond the basics to experience music, art, and dramatics.

Results of all these educational efforts are striking. People acquire the skills and confidence to get jobs, to understand health risks and solutions, even to get access to their national governments.

Above all, they gain personal power that enables them to take more control of their lives and environments.

Indeed, the Near East Foundation is itself a learning organization. Building on past experience and by taking risks, staff members learn by doing. Thus NEF personnel succeed in unlocking innovative ways to breed fish in the Jordan Valley, develop precise accounting systems for micro-credit programs in Sudan, or adapt new media or computer technologies to serve longstanding needs in old communities in Egypt and Mali.

NEF seeks to remain at the cutting edge in designing development approaches that work, adapting past successes to today's situations and thereby demonstrating its commitment to the power of education for changing lives.

A donor consortium provides renewed support for work in agriculture, health, and literacy at NEF's GROW project in Lesotho.

2000

NEF/Mali receives funding from the Netherlands Embassy for a natural resources management program.

1999

Urban development programs in Cairo are extended with the establishment of the Darb al-Ahmar project. An *Accord de Siège* is signed with the Kingdom of Morocco.

1998

Geoffrey Acheson Thompson succeeds David S. Dodge as Chairman.

1997

At a gala event in New York, attended by over 300 guests, NEF celebrates its 80th Anniversary.

1995

BY THE NUMBERS

- Unemployed Egyptians who found fulltime jobs in the past year after training at NEF's Center for Development Services (CDS): **800**
- Children in Tamissint, Morocco who began the 2002 school year with books, book-bags, and supplies provided by NEF: **106**
- Children educated to avoid injuries caused by at least 11 metric tons of unexploded mines and shells in Lebanon: **over 2,000**



A team of beekeepers inspects a honeycomb at one of NEF's agricultural projects in Morocco where apprentices learn the fabled art of keeping bees for making honey. For over 20 years, NEF's beekeeping programs have helped entrepreneurs in Morocco, Sudan, and Swaziland make hives, research bee varieties, understand the relationships between environmental protection and increased production, and

adopt marketing techniques to improve their business. Honey is a key ingredient in rich national cuisines like Morocco's, with most production consumed locally. Over 20,000 beekeepers keep hives in the country, either professionally or for home consumption. Orange blossom, jasmine, and lavender are a few of the dozens of flavors produced, reflecting the rich variety of North Africa's flowering plants.

NEF creates the Appropriate Technology Training Center in Morocco to develop tools and initiatives for rural women. New credit programs begin in Jordan.

1993

Under the leadership of Country Director Yacouba Dème, NEF/Mali expands into credit, water, and literacy programs.

1992

New programs begin in Lesotho, with a comprehensive rural development project called Gardening for Rural Organization and Well-Being (GROW).

1991

Regional Director Roger Hardister organizes the Center for Development Services (CDS) in Cairo, to serve as a regional resource base for NEF.

1990

To strengthen local organizations in Lebanon, NEF supports a range of vocational training programs.

1990

Health

IMPROVING people's ability to care for their health is a vital component of many NEF programs. Whether starting clinics or building partnerships with local communities and international organizations, NEF initiatives lead to longer individual lifespans, fewer illnesses and infections, and healthier lifestyles for adults and children alike.

Educating people and involving them in the process of improving health is crucial in the fight against the threat of HIV/AIDS. In Lesotho NEF support has encouraged local communities to organize workshops on HIV/AIDS prevention. Media programs encourage frank talk about sexual habits and promote practices that reduce risk.

By providing youth a means to promote to their peers an awareness of the risks of drug use, for instance, a new program in Egypt helps reduce harmful behavior like teenage smoking. NEF is also working with women to improve reproductive health services in Morocco, Sudan, and Egypt. In Khartoum, a city with over two million internally displaced Sudanese, NEF is helping train women to become skilled birth attendants, building and renovating clinics, and providing medical equipment and supplies.

Good health is a prerequisite for community well-being. A new research and patient information system developed by NEF in Cairo is helping give families unprecedented

ongoing relationships with their physicians and nurses.

By providing access to clean water, NEF has helped control diseases and promote good hygiene. Organized trash collection and recycling programs in Jordan and Egypt remove dangerous objects from places children play and help curtail illnesses like malaria and cholera. Improvements in agricultural techniques pioneered by NEF's GROW program in Lesotho lead to better nutrition and longer lives.

With education, new resources and the freedom to make choices, people can create solutions that lead to long-term social stability for millions of people.

A dairy goat and family nutrition project is launched in Morocco, where over 20,000 people in 41 of the country's most isolated villages are helped by NEF programs.

1987

In Sierra Leone, NEF provides a technical specialist to help organize a fish-farming project.

1987

Based on a NEF-sponsored feasibility and market study, an aquaculture specialist goes to Jordan to help fish-farmers improve production.

1986

NEF cooperates with the International Center for Agricultural Research in the Dry Areas (ICARDA) in on-farm research to determine fertilizer requirements for the dry belt of northern Syria.

1986

NEF enables Birzeit University to add a primary health component to its Community Development Program.

1984

BY THE NUMBERS

- Copies printed of new 107-page CDS Arabic-language health manual about ensuring safe blood supplies: **2,200**
- Displaced population directly assisted by NEF's new reproductive health clinic in Khartoum, Sudan: **over 20,000**
- People who participated in 112 different health-education programs in the GROW project in Lesotho: **2,573**



Women health professionals in Edfu in Upper Egypt participate in an NEF training course on the care of infants and small children. Using the technical assistance of its Cairo-based Center for Development Services (CDS), NEF introduced nursing faculty from local communities to some of the latest information on best practices in nursing and in pedagogy. Through this community health program, NEF

also created partnerships with nursing schools to create an innovative practice-based approach to nurse education, where theory-based learning is put to work in clinical settings. The program produced better-prepared nurses, who are now highly effective in raising the levels of treatment and education, and had the long-term effect of elevating the social status of nurses.

NEF provides technical assistance in launching a National Beekeeping Program in Swaziland.

1984

Working with Band-Aid/Live Aid support, Michael Winter launches a major NEF relief and development program in Mali.

1984

A team of NEF specialists works to strengthen the Faculty of Agriculture and Food Sciences of the American University of Beirut.

1983

With a grant from the Chevron Corporation, NEF establishes a national beekeeping training program in Sudan, complete with demonstration apiaries and practical training.

1982

After 27 years with NEF, Executive Director Delmer J. Dooley retires. Richard C. Roberts is named Executive Director.

1982

Environment

RESTORING and protecting the natural environment occupies the center of NEF's integrated approach to community development. Working in the cities and villages of the Middle East and Africa and in the fields, rivers, and mountains that sustain them, NEF seeks to protect the places where people live, work, and play.

In challenging environments, where water is so precious and populations grow so quickly, NEF helps to create effective natural-resource management systems and the local organizations to sustain them. Mali's Waldé Kelka association brings together village leaders working closely with herders to develop local livestock-, water-, and

land-management programs and to negotiate their approval by the government.

NEF's experience has demonstrated that practical, community-based activities are the most effective way to promote recycling, waste management, and water conservation. Dozens of farmers along the Jordan River are learning to get double benefit from scarce water supplies through cultivating tilapia fingerlings in their irrigation water holding ponds. The fish contribute additional protein to families' diets, provide up to 10% additional income for farmers, and put nutrients in the water that will irrigate crops.

By cultivating such direct linkages between the environment and people's lives, NEF encourages them to invest in the care of these resources. NEF helped villagers in the Nile Delta outside Cairo use their village association to gain government support for removing garbage from their streets and canals—resulting in better water quality and more healthful living conditions. The association created the village's first-ever trash removal program and an educational component to encourage its use.

Such committed local involvement protects the riches of the natural world while promoting new ways to meet people's needs for food, health, shelter, and dignity.

NEF initiates cooperation on horticulture research and extension with the American University in Cairo's Desert Development Center.

1979

NEF assists in the development of a poultry-breeding program in Gambia, as well as an agricultural development program in Bhutan.

1978

NEF completes a 5-year USAID-funded project to increase wheat production in Morocco.

1975

A 5-year contract is completed for work at the Rezaieh College of Agriculture in Iran, where a curriculum, buildings, and an English-language program remain in place.

1974

BY THE NUMBERS

- Villagers who participated in over 630 horticulture programs in the GROW project in Lesotho last year: **4,455**
- Tons of recyclable material collected from 6 centers and over 80 organizations in Amman, Jordan through NEF's Cans for Kids program: **120**
- Meters of irrigation canals rehabilitated by NEF in one Lebanese village: **3,000**



Farmers and local villagers learn to construct efficient drainage furrows and silt traps to prevent soil erosion at NEF's GROW program in Mokhotlong, Lesotho. This integrated program combines initiatives in agriculture, governance, health, and education with an overall focus on protecting and restoring the natural environment. People in the program have conducted experiments in

the use of natural bio-fertilizers and integrated pest management. Farmers in the region, who previously tended to practice monoculture, have adopted new techniques such as the Machobane farming system, which stresses intercropping and the use of locally available materials. These practices maximize production and help maintain healthy farms and mountain pastures.

Work in Chad and Botswana continues, focusing on livestock and range-management programs.

1973

King Hussein Bin Talal, King of Jordan, bestows on NEF the medal of the Jordan Star of the Second Order, citing the "valuable work and efforts which NEF has contributed in the domain of social service and economic development" in Jordan.

1971

The Tafila Nursery is launched, providing fruit-tree seedlings to farmers in southern Jordan.

1968

With the assistance of NEF, the Jordanian Ministry of Agriculture plants 58,000 olive trees—more than the total planted during the 5 preceding years combined.

1965

Economy

STRENGTHENING people's access to economic opportunities makes NEF's development strategy work for the long term. NEF has been focused and consistent in its approach: people must have access to the resources they need to help themselves. Handouts are not the answer.

People must also have the wherewithal to design solutions and follow through on plans for their futures. NEF has always sought to help provide the necessary assets for their efforts. With the technical skills and financial capital they need, people in NEF economic programs create jobs, build small businesses, and improve their communities.

Helping the neediest is a core principle of NEF. By making possible small loans—often as little as \$50—NEF encourages hundreds of entrepreneurs in places where commercial banks will not lend the minimal amounts necessary to start or expand small enterprises.

In Jordan and Sudan, NEF helps develop village credit associations that understand the needs and capabilities of their clients. These associations manage lending, repayment and re-lending, creating a self-perpetuating cycle of local investment. In Cairo, fledgling women entrepreneurs design their own plans for businesses as varied as shoemaking, catering, fashion, and textiles. In the process they learn to manage assets like raw materials and personnel. In Mali, widows have been able to support whole families with the animals financed by micro-loans.

Since NEF credit programs operate at the village or neighborhood level with community representatives making the decisions, they ensure that credit recipients have a carefully thought-out business plan for their activity.

These programs enable people to design solutions appropriate to their customs and values. This approach

is particularly important in Islamic countries with very specific rules about financial practices.

NEF credit programs emphasize learning about financial principles such as risk and return, credit and capital. They seek to educate loan recipients—often farmers who have never seen a checkbook—in simple arithmetic, accounting, financial planning, and management.

Repayment rates, often as high as 99%, reflect the success of NEF's approach. Even more dramatic results lie in people's sense of confidence in their ability to manage business affairs involving money and debt. Working with cereal loans in Mali, farm credit in Sudan, or market vendors in Cairo—NEF programs throughout the Middle East and Africa help people attain a new level of confidence and hope for the future.

NEF begins work in eight African countries: Benin, Burkina Faso, Cameroon, Central African Republic, Madagascar, Niger, Tanzania, and Togo.

1965

In partnership with the U.S. Agency for International Development, NEF begins to provide American agricultural specialists for projects throughout Africa.

1964

The Shah of Iran declares at a dinner in New York (April) that the "Near East Foundation has achieved more, in proportion to the funds used, than could have been foreseen, and it is producing far-reaching and lasting results."

1962

BY THE NUMBERS

- Average price of a dairy goat purchased by over 300 Moroccan women with small loans provided by NEF: **\$60**
- Tons of olives harvested by 3,500 young Palestinian volunteers in NEF's support program in the West Bank: **117**
- Small businesses in Jordan, supporting over 32,000 people, that received financing from NEF-supported credit funds: **4,000**



Farmers at NEF's Gor al-Safi fish-farming initiative in the Jordan River valley inspect nets at a tilapia pond. These fish-farmers have begun to integrate aquaculture into their economy using existing irrigation ponds and minimal investments of time and resources. The work requires only about six additional hours work a week for farmers but generates 10% more income annually and provides a nutritious food

option for their families. Based on NEF's pioneering work, the Jordanian Ministry of Agriculture has allocated \$150,000 for the program's wider development and has selected NEF staff to provide design and technical support. NEF is also encouraging entrepreneurs to produce the fingerlings and fish food locally, reducing reliance on costly imports and stimulating local enterprise.

In cooperation with the Iranian Government, NEF conducts a pilot project to combat bilharzia in the Khuzistan Ostan province of Iran.

1960

Boys' clubs are started in several Jordanian cities, co-sponsored by NEF and the Jordanian Ministry of Social Welfare.

1959

NEF establishes a teacher-training school for rural girls in Ghaleh Nou, Iran.

1954

President Harry S. Truman, in establishing the "Point Four" Program, cites the work of NEF as the model for international aid.

1950

Governance

BUILDING local capacity to manage grassroots development projects has been a specialty of NEF since its inception. All programs rely on the simple premise that people, if trusted to develop their own organizations, will build flexible, democratic communities. Trust is essential between leaders and citizens and between donor agencies and recipients. NEF has always valued this trust above all else—resulting in the long-term expansion of freedoms, legal rights, and economic opportunities for thousands of people.

What impoverished communities often lack are the associations—such as youth groups, credit cooperatives, community health centers—that form the backbone of civil society. These structures give people new experience with social organization.

To assist in building this experience, NEF provides nascent organizations with training, information, and financial support.

In Morocco's Souss-Massa region, NEF's work on rural civil society helps increase the capacity of local groups to implement their initiatives and develop working relationships with the government. Similarly, a NEF-supported village association in Egypt's Nile Delta created a plan for environmental clean-up and waste management that gained government funding.

Mali's Douentza region is another place where NEF is a leader in promoting democracy and the ongoing decentralization of government services. A basic literacy project addressed the needs of the 90 percent of the local residents who cannot read or write. With new-found

literacy skills, the villagers created newspapers in six local languages and a radio station whose programs inform people about the issues of the day. Locally operated, all these ventures impart valuable management skills to project participants.

Projects large and small bear the stamp of NEF's commitment to promoting democratic institutions and good governance at the local level. Cairo's Darb al-Ahmar urban revitalization program, one of NEF's largest efforts, is realizing its goal of creating several innovative local associations including the landmark Darb al-Ahmar Local Development Corporation. In all such projects, NEF's goal is to leave behind self-sustaining community organizations as catalysts for wider civic development and change, and as an inspiration for others.

Following World War II, work resumes in Greece, Lebanon, Syria, and Jordan. The Varamin Plain program is initiated in Iran.

1946

NEF accepts an invitation from the Government of Iran to provide technical assistance in rural education.

1944

Emergency work completed. Near East Relief is re-incorporated as the Near East Foundation, with a mission to help people help themselves through local leadership and community programs. Work expands into Greece, Syria, Lebanon, Jordan, and Iran.

1930

BY THE NUMBERS

- Young Egyptians volunteering in their communities through NEF's new Egyptian Volunteer Center: **389**
- Community governance support centers in the Malian districts of Mopti and Douentza operated by NEF: **29**
- Community organizations in Alexandria, Egypt cooperating with NEF to plan a new market for over 500 small businesses: **16**



Local associations supported by NEF enable women in Mali to gain access to credit and participate more fully in local governance. In 1992 the Government of Mali adopted a decentralization policy to promote democracy and local development; as part of this commitment, NEF was selected to operate community support centers in the districts of Mopti and Douentza. NEF's governance programs in these rural areas focus on strengthening democratic practices and

principles through civic education using print and broadcast media, discussions and debates, inter-village meetings, and an extensive literacy program. NEF was instrumental in starting Mali's first rural radio station, which continues to broadcast news and practical information, such as crop prices and weather reports, to over 20,000 people. As levels of education and access to information have increased, people in NEF's districts have become more active in local government.

Near East Relief raised and administered over \$117 million for relief to orphans and refugee families, with 47 orphanages, 65 hospitals, and 23 other support centers.

1925

President Woodrow Wilson signs an Act of Congress designating Near East Relief as the primary channel for post-World War I American aid to the Near East region.

1919

Cleveland H. Dodge initiates the American Committee for Armenian and Syrian Relief, following an urgent request for emergency aid to refugees in war-torn countries of Southern Europe and the Near East.

1915

Recognizing NEF's Contributors

In the following pages, the Near East Foundation pays tribute to the individual and institutional donors whose generosity makes the Foundation's work possible. NEF is proud of its tradition of sending overseas every dollar contributed for program support. NEF's administrative costs are covered by its endowment or by gifts designated for that purpose.

Leadership Donors

The Cleveland H. Dodge Society, founded in 1998, recognizes those who support the Near East Foundation's Annual Fund with unrestricted leadership gifts over \$500. Their commitment and generosity reflect the qualities of Cleveland H. Dodge, who in 1915 answered President Woodrow Wilson's call for American citizens to come to the assistance of victims of war and genocide in the Near East. Dodge responded by forming the original Near East Relief, which later became the Near East Foundation.

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In Memory of Gordon L. Berry

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**These gifts support former West Bank/Gaza NEF employees who have lost their livelihoods in current conflicts there.*

†Matching gift

From the Executive Director

Dear Friends,

Thanks for spending time with NEF's 2002 Annual Report. As we reviewed the past year's work and as I've had the opportunity to see firsthand the countless ways NEF is improving people's lives, I have become increasingly convinced of the important contribution NEF makes to building a more just and more peaceful world. NEF possesses the experience, the methodology, and the skilled, committed staff to do even greater things.

Because of NEF's positive reputation in the Middle East and Africa, people there continually ask us to accept new opportunities to help. All we need are the financial resources to expand our impact.

NEF succeeds by working in partnership with local people overseas. Throughout our long history we have also depended upon the partnership of those who support our work. **Please join us by lending your support now so that we can continue and expand our vital overseas efforts.**

You can help in several crucial ways:

- Make a generous donation to our Annual Fund—this supplies essential funding for our programs;
- Tell other people about NEF's work—we need to expand our circle of partners;

- Consider including NEF in your estate planning through a gift, trust, or insurance policy.

We know that NEF makes a decisive difference in the lives of thousands of people. Please know that your contribution will make a decisive difference in NEF's ability to do what it does.

With gratitude,



Ryan A. LaHurd
Executive Director

Near East Foundation

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The Near East Foundation is registered with the United States Agency for International Development (USAID), meets the standards of the National Charities Information Bureau (NCIB), and is a member of the American Council for Voluntary International Action (InterAction).

Highlights of NEF's 2001-2002 Fiscal Year

- Building on a pilot project in Oujda funded by the International Fund for Agricultural Development (IFAD), NEF explores program extension in northeastern Morocco.
- A micro-credit program is launched in Djibouti, and new gender training activities begin in Yemen.
- NEF hosts a panel discussion on November 27, 2001, moderated by noted television commentator Charlie Rose, on “The Aftermath of September 11: Political, Corporate, and Philanthropic Perspectives.”
- The David and Lucile Packard Foundation awards NEF/Sudan a \$225,000 grant to help improve reproductive health services among displaced populations in Khartoum.
- Joanne Wedum, with experience in the Peace Corps (Morocco) and CARE (Mali), is named Country Director for Morocco.
- The New York Headquarters moves to a new office at 420 Lexington Avenue in mid-town Manhattan.
- NEF/Lesotho's GROW project expands its work into two new areas: Moeketsane and Thaba-limpe.
- In response to on-going violence in the region, the NEF Board of Directors at its April meeting makes contributions to a special staff-initiated fund in support of NEF personnel and their families in the West Bank and Gaza.
- The Board of Directors hosts a lunch in New York in May to honor King Letsie III of Lesotho.
- A group of Armenian friends of the Near East Foundation gathers in New York in June to discuss ways of supporting NEF programs by promoting awareness of the early history of the Foundation, especially its work as Near East Relief.
- Ryan A. LaHurd is named Executive Director and assumes duties in July, 2002, after serving eight years as president of Lenoir-Rhyne College in North Carolina.
- NEF/Mali is selected by the Government of Mali to implement decentralization policy in the districts of Mopti and Douentza.

Statement of Activities and Net Assets, Fiscal Year Ended June 30, 2002

(with comparative totals for 2001)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2002	Total 2001
Revenue, gains and other support:					
Contributions	205,605	\$20,446		\$226,051	\$985,840
Government grants		161,649		161,649	69,793
Private grants		1,111,063		1,111,063	1,019,981
Legacies and bequests	1,542			1,542	104,438
In-kind contributions	300			300	67,088
Investment income	116,630	484		117,114	117,293
Net realized gain on security transactions	6,145	115		6,260	1,230,427
Net depreciation of securities	(573,280)	(3,113)		(576,393)	(2,707,214)
Program-related income	376,968			376,968	600,679
Miscellaneous	8,334			8,334	4,199
<i>Net assets released from restrictions</i>					
Satisfaction of program restrictions	1,827,866	(1,827,866)			
Satisfaction of equipment acquisition restrictions	45,278	(45,278)			
Total revenue, gains, and other support	\$2,015,388	(\$582,500)		\$1,432,888	\$1,492,524
Expenses:					
<i>Program services</i>					
Direct program services	\$3,477,522			\$3,477,522	\$3,614,471
Program administration	276,378			276,378	272,700
Project development/monitoring	18,974			18,974	41,257
<i>Total program services</i>	<i>3,772,874</i>			<i>3,772,874</i>	<i>3,928,428</i>
<i>Supporting services</i>					
Management and general	339,907			339,907	337,350
Promotion and fund raising	335,393			335,393	374,301
<i>Total supporting services</i>	<i>675,300</i>			<i>675,300</i>	<i>711,651</i>
Total expenses	\$4,448,174			\$4,448,174	\$4,640,079
Changes in net assets	(\$2,432,786)	(\$582,500)		(\$3,015,286)	(\$3,147,555)
Net assets at the beginning of year	4,166,704	2,800,259	2,970,304	9,937,267	13,084,822
Net assets at end of year	\$1,733,918	\$2,217,759	\$2,970,304	\$6,921,981	\$9,937,267

Report of Program Expenditures, Fiscal Year Ended June 30, 2002 (by country)

Egypt		Morocco	
Regional Office	\$265,914	Rural Civil Society and Development	\$354,721
Community Development	597,178	Sudan	
Center for Development Services	713,227	Community Development	\$110,151
<i>Total</i>	<i>\$1,576,319</i>	Health Services Project	72,175
Jordan		<i>Total</i>	<i>\$182,326</i>
Community Development/Credit	\$187,868	Swaziland	
Aquaculture Initiative	48,597	Project Support	\$15,913
Cans For Kids	13,411	West Bank/Gaza	
<i>Total</i>	<i>\$249,876</i>	Community Development	\$175,371
Lebanon		Greenhouse Project	27,348
Community Development/Credit	\$41,690	Arts for Kids	9,829
Lesotho		<i>Total</i>	<i>\$212,548</i>
GROW Project	\$334,637	Program Initiatives	
Mali		Program Development/Monitoring	\$18,974
Natural Resource Management	\$231,532	Total Overseas	
Tarabe Rural Development	149,195	Program Expenditures	\$3,496,497
Village Associations	108,036		
<i>Total</i>	<i>\$488,763</i>		

The latest audited financial statement may be obtained by writing to NEF, 420 Lexington Avenue, Suite 2516, New York, NY 10170-2599, or to the State of New York, Department of State, 162 Washington Avenue, Albany, NY 12231-0001.

THE LARGEST ORPHANAGE PROGRAM THE WORLD HAS EVER SEEN



At the height of its Child Welfare Program, Near East Relief set a record for all time in orphanage work. 111,129 children, in five different countries, were under its care at one time. In the one city of Alesandropol, now Leninakan, there were 22,000 housed in the five million dollar army post of the old Russian Czar which had been put at the disposal of the organization, free of rent.

THE TRAINING OF 132,522 ORPHANS HAS BEEN AN ENDURING INVESTMENT

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Near East Foundation

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