### Members of Board of Directors

**Forth**

**2006-2008**

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The legislative elections which took place at the beginning of this year were undoubtedly a transformation point the Palestinian people’s life. These elections changed the power realities in the Palestinian context and resulted in a siege on the Hamas-led government. Practically, such a siege was against the whole Palestinian people rather than Hamas itself; not to mention economical and political outcomes after the most important event in 2006.

This electoral experience has raised an amount of questions around the reasons which led to such an outcome. However, as a civil organization, we are interested in the responsibility of civil organizations for that outcome. PARC has discussed that on all levels but the accelerated procedures imposed by the siege didn’t allow any discussion to stay in progress or to develop. Also, PARC realized the need to carry out relief programs and like other civil work organizations, it left the work on formulating the future and instead had to deal with urgent needs.

After these elections, PARC found an opportunity to set forth new initiatives in order to unify the efforts of civil organizations to defend the civil society principles and enhance the civil organizations’ role. Throughout its grassroots committees, PARC supported the “detainees’ document” as a minimum limit to shape a national attitude against the obstacles and problem the Palestinian people have been enduring. It was apparent the prolonged siege led to worsening the conflict between Fatah and Hamas over power; implying the risk of internal fight. In addition, security lapse and chaos were intensified and the Palestinian people were forced into a dark circle in which the Palestinian principles were violated and Palestinian blood shed.

Once again, PARC and other civil work organizations realized that there is no way out except to work on saving the Palestinian blood and enhancing civil peace. PARC has always been an honest element supporting the national agenda; bearing in mind that the national interest is superior to the factional interests.

PARC’s role was also furthered by the wide spectrum of supporters among the Palestinians. It has always made it clear that there will be no winner out of this conflict which, not only will it cause victims, but will destroy the future of Palestinians.

The circumstances in 2006 were severely difficult on all aspects of life and caused a setback for reformation plans. PARC is now facing a difficult situation in which it should try to balance the various contradictions in social and economical life of our people.

Dr. Ismail Daiq
Chairman
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1. General Assembly and Board Director Report

During 2006 the General Assembly conducted three meetings, among them two meetings were formal, and one was informal, which resulted in the following outcomes:

1. Verification of the technical and financial work of organization for 2005, and renewed audits
2. Authorization of the BOD report for the previous period
3. Authorization on entering the Rural Development Organizations Union, reviewing, and authorizing the Union’s internal regulations
4. Ratifying the modifications proposed by the Executive Board and Board of Directors for the Policies and Procedures Administrative Manual of the organization
5. Reviewing and verifying the Assets Committee report
7. Election of a new Chairman of the Board and Monitoring Committee for the fourth period.

The Board of Directors conducted 11 meetings in which the following issues were discussed:

1. Reallocation of internal board positions in light of the resignation of two board members since they were elected to the Palestinian Legislative Council
2. Authorization of the integration of branches that resulted from the evaluation, and giving the BOD the authority to implement this.
3. Authorization of the 2006 budget, and administrative and financial reports
4. Authorization of the Assets Committee plan, and later the report of the Assets Committee
5. Verification of the establishment of a financial, and commission of the BOD in the project in preparing the necessary studies and reviewing the internal system
6. Verification and acceptance of the General Director’s Resignation, and the recommendations of the new BOD to undertake the necessary procedures in electing a new General Director
7. Verification of the reallocation of the new BOD and the specialized committees (5) which are: National Relations Committee, Strategic Committee, Gender and Women Committee, Public Relations Committee, Assets Committee

In addition to these, the members of the board contributed in a number of conferences and meetings with the targeted sectors and donor organizations.
The Palestinian territories have witnessed a very hard year in 2006, where political, economic, and social conditions have caused continuous suffering to all layers of the society. Suffering of people in the rural and other marginalized areas, refugees’ camps were particularly high. Understanding these conditions gives readers of this report a clearer picture of the value of the achieved results of the implemented activities of PARC’s program.

2. Overlook at political, economic, and social situation

The political situation in the Palestinian territories in 2006 has been affected by a number of events that together shaped the political scene. Among these the following are the most important:

2.1 Political situation

The legislative elections that were conducted in January 2006 have resulted in great victory to Hamas. This victory has led to:

- Accentuate the political polarization in the Palestinian society between Hamas from one side and Fatah from the other. The role of other Palestinian factions became less significant.
- Widespread security chaos in the Palestinian territories as a whole and particularly in Gaza. Political differences between the various political factions, particularly between Fatah & Hamas have enormously nourished this security chaos.
- Political boycott of the Palestinian government was imposed by most of the Western governments and Israel. Some Arabic governments were part of this boycott.

2.1.2. Freezing of the peace process

Israel continued to show no interest in resuming the peace process with the Palestinian. It has taken the victory of Hamas in the legislative elections as pretext to continue refusing any negotiations with the Palestinians and declaring the absence of any Palestinian partners in the peace process.
2.2 Economic situation

The stalemate in the political field has very bad repercussions on the economic situation of the Palestinian people. During 2006 the Palestinian economy has suffered from:

- The economic boycott imposed on the Palestinian government, in the course of this boycott, most of the international aid to Palestinian government was stopped. This was partially replaced by other mechanisms of aid channeling; through the presidential office or some international agencies and NGO’s.

- Israel abstained to pay the Palestinian government the tax that it collects on imports to the Palestinian territories on behalf of the PNA. This has had catastrophic impact of the Palestinian economy and the normal functioning of the government.

- Economic strike of public sector employees. This strike which was announced as syndic one was in fact a result of both economic and political complexity. It has reflected to a great extent the polarization in the political life of Palestinians. This strike has had very negative impacts on Palestinian life in all fields. The sectors of health and education were among the most negatively affected.

The above mentioned factors have very negative effects on the economic life of Palestinians and have reflected itself in the following:

- Palestinian government became unable to pay the salaries of its employees at regular basis. This has created great difficulties to a wide sector of the population who became unable to ensure their basic needs.

- Have raised the percentage of unemployment which was originally very high. The unemployment rate decrease that was noticed in the 4th quarter of 2005 resumed the trend to increase in 2006. The percentage of unemployment in this year remains above 32.5 all through the year.

- Percentage of poverty in the Palestinian territories continued to increase in 2006. According to various statistics prepared by different UN agencies more than 60% of the Palestinians were living below the threshold of poverty of 2$US/person/day.

2.3 Social conditions

At all levels, 2006 was particularly difficult for Palestinians. As a result of the very negative factors at both political and economic levels, social life of Palestinians witnessed a number of negative phenomena. Among these one can mention the following:
2.3.1. Spread of violence
Under the prevailing conditions of very high rate of unemployment, poverty and security chaos, violence in solving social disputes became very common and frequent. This includes both political, individual and clans’ disputes.

2.3.2. Increase of number of theft and robberies in palestinian territories
In the past these were restricted to urban areas. During the last two years these became frequent in rural areas as well. This is mainly due to the very bad economic situation in the country.

2.3.3. Increase of juvenile delinquency and school drop-out particularly
In rural areas and in areas affected by the construction of the separation wall. Other forms of delinquency (prostitution, nepotism, favoritism) became more frequent and obvious.

2.3.4. Failure of coping mechanism of families
And wide spread of mental and psychological diseases among people who used to be free of such
3. Summary

This report covers the second year of parc’s three years program where the main objective (purpose) of this program is “promote integrated rural development in rural palestinian territories (pt)”. The overall objectives that the program contributes to are:

1. Enhance food security & sustainable agricultural development.
2. Reinforcing the sustainability of grassroots, syndic and specialized rural organizations.
3. Contribute to strengthening of national struggle.

To achieve the first overall objective of the program has worked to achieve the following specific (intermediate) objectives:

- Adopting environmentally friendly and sustainable techniques
- Protecting and developing natural resources (land and water) and increasing their productivity
- Contribute in solving agricultural marketing problems for the gatherings, and encourage the intervention of the private sector
- Encourage the establishment of saving, savings and credit portfolios, and income

To achieve the second overall objective we have worked to achieve the following specific objectives:

- Supporting the establishment and enhancement of organizations, cooperatives, and farmers unions,
- Supporting the establishment and enhancement of organizations, cooperative, and rural women unions
- Supporting the establishment and enhancement of organizations,
cooperative and rural youth unions

- Supporting the establishment and enhancement of organizations, cooperative and specialists’ and professional’s unions

To achieve the third overall objective we have worked to achieve the following specific objectives:

- Enhancing the civil society values and activating the role of its organizations
- Enhancing the values of voluntary work.

The work of parc was organized under 8 sub-programs where each sub-program worked on one or more of the above mentioned specific objectives. These were:

1. Agricultural extension sub-program,
2. Women social program,
3. Saving and credit sub-program,
4. Farmers gatherings and organizations sub-program,
5. Youth and voluntary work sub-programs,
6. Civil society sub-program,
7. Social solidarity sub-program,
8. Land development sub-program.

As a result of the work on the above mentioned sub-programs one can mention the main results and outputs:

1. Holding of 234 training courses that covered various developmental issues in the field of agriculture, environment, capacity building and empowerment. Three thousand seven hundred three (3703) farmers, youth and women benefited of these courses.
2. 1545 Workshops covering a wide spectrum of issues: women rights, importance of voluntary work, youth, and importance of specialized s&c union and women empowerment were held. Tens of thousands of people participated in these workshops.
3. Twenty two women reached decision making positions in their communities,
4. During the implementation of the program 20 brochures and pamphlets were published with more than 39,000 copies. These covered issues like organic farming, integrated pest managements, irrigation and water resources management and other social issues.
5. Emission of about 33 spots and interviews that dealt with youth and civil society issues,
6. 12 Lobbying and advocacy campaigns were held on issues related youth and civil society issues,
7. 30 Local youth and students summer camps and 2 international were held,
8. One hundred thirty eight thousand hundred sixty (138,860) cubic meters of water were additionally ensured for agricultural and agro-domestic purposes were ensured as a result of building 606 cisterns and 128 cement pools and metallic reservoirs.
9. Opening of 30.5 Km of agricultural roads in favour of 1099 dunums of agricultural land in favor of 555 farmers,
10. Two thousand nine hundred fifty five (2955) dunums of marginal mountainous land or destroyed by israelis were reclaimed and converted to arable land,
11. Three hundred farms were converted to organic farming/safe use of pesticides and 100 farms received subsidy to be converted,
12. One thousand two hundred sixty one (1261) farmers and women (312 women received loans to develop their own business. The value of loans amounted approximately to 2.8 Million €,
13. Furnishing and equipping 16 centers for women, youth and farmers. 14 Of them were targeting women centers,
14. 265 Home gardens were developed where about 1850 persons in 265 families have improved their food consumption,
15. Developing of the financial and administrative systems for 34 farmers and women cooperatives. Out of these 12 were women cooperatives in saving and credit.
16. Building of two collective and 13 individual wastewater treatment plants which have provided about 12,000 m³ of treated wastewater were made available for agricultural use.
17. Rehabilitation and extension of 4 collective irrigation networks in favour of about 220 farmers. Length of irrigation pipelines exceeded 18.6 Km of various sizes.
18. Ensuring about 72,000 persons-days of temporary jobs in favour of about 10,300 persons of unemployed workers.
19. Graduation of 40 newly graduate agricultural engineers after 9 months training course that covered various agricultural and developmental subjects.

The above mentioned outputs and results were implemented in both west bank and gaza and cover all governorates of the palestinian territories. The implemented activities have targeted three main target groups: farmers, women and young youth. Both individuals and collectivities (cooperatives, charity associations, informal groups) were targeted.
4. Implementation environment and arrangements

4.1 Project’s environment

4.1.1. Program’s macro environment

The year 2006 was exceptional one for the Palestinian people. It has witnessed a number of events that have had serious impact on all sectors of the society and which have affected the work of PARC and the achievement of PARC’s whole program. In this respect the Palestinian election and the success of Hamas to achieve a great majority in the legislative council in this election was the most important one and it has its great impact on all aspects of Palestinians life. The direct result of this success was the boycott of the government that was formed by Hamas. The imposed boycott has had disastrous economic and social effects that hit wide sectors of the population and employees in particular. Women were affected to greater degree by the blockade where the share of women in the labor force decreased from 10% to 5%. As a result of Israeli refusal to pay the government the taxes that it collects on behalf of the authority the PNA was unable to pay the salaries of employees. In general we can describe the situation in the Palestinian territories by the following:

- Most of the people in the PT have lost their source of income and also their savings, more than 68% are insecure and living under the poverty line. The living conditions became even worse due to the strict blockade by the Israeli occupation and as a result of the strike started by September, 2006 where all employees of the governmental sectors started their strike since they had not received their salaries for the last 9 months.

- The political disagreements between the largest two parties (Hamas & Fath) have led to deterioration in the political and economical conditions and increase the suffering of people.

- Deterioration of the security conditions especially in Gaza strip and it has affected all aspects of life of the people.

- Reduction of support from international aids providers for Palestinians.
particularly for developmental purposes and in most cases were restricted to humanitarian aid.

- Continued deterioration in qualitative and quantitative public and infrastructural services
- Rising in poverty rate, most of statistics shows that poverty rate is more than 63%. In November 2006 the percentage of Palestinian who has fallen below the threshold of poverty reached 68% of the population. It is worth noting that the poverty rate is concentrated among the rural families whom depend on subsistence agriculture for their main source of income.

- The situations of the Palestinian countryside have worsened by the continued aggressive policies and measures of the Israeli occupation authorities. It is manifested in great restriction of movement of Palestinian citizens particularly in the northern districts of the West Bank.

- One of the most disastrous developments on the national level which have resulted from the incapability of the government to pay the salaries of employees was the general strike that was adopted by workers and employees in all ministries of the PNA. This has paralyzed the work in these ministries and affected the life of all Palestinians.

The year 2006 has also witnessed repeated prolonged incursions of Israeli troops in the Palestinian territories and particularly in Gaza.

The negative repercussions of the uni-lateral disengagement from Gaza and small parts of the North West Bank continue to increase. Gaza became a big prison and the movement from the North of the West Bank to other parts of the Palestinian territories became extremely difficult.

All these conditions have affected the work of PARC and have had various impacts on the different components of the program. These difficult situations have increased enormously the demand on the various services provided by PARC. This was clear in activities aiming at improving food security at household level (first strategic goal of PARC). These have also obliged PARC to reduce the community contributions in the cost of implementation of the various activities from 25% in the WB to 15% and in Gaza this contribution was reduced to 5%. The strike of ministries has affected the work in more than one component of the program. As an example getting VAT exemption or the impossibility of holding the general assembly meetings of the cooperatives of saving and credit which has resulted in delay of approval of their financial statements. Saving and credit program with women was also affected by the poverty increase and strike of the government employees and the incapacity of the government to pay its employees. The new adherent to the program decreased by 75% compared with 2005 and paid shares of women in 2006 was only 55% of that of 2005.
4.1.2. Program meso environment

Different events or measures taken by the national Palestinian authority, or that happened on the international level has different effects on the various Palestinian governorates and impacts on the various components of the program are also not the same.

The result of the uni-lateral engagement from north west bank (restriction on movement, great difficulties of marketing agricultural produce, difficulty of import of agricultural inputs) is very eminent but, its effect on gaza were more disastrous in gaza.

The reduction in gaza’s exports to israel has weakened local production capacity, cut revenues and increased dependence on imports from israel. (Icrc, autumn 2006).

The closure of gaza strip and the restrictions on import of some construction materials have led to additional increase of steel which was due to the international increase of demand on this material on the international market. This have affected negatively the cost of implementation of certain activities (cement pools). Base course was another example. This has raised the cost of agricultural roads in gaza by about 30%. The closures of gaza after the uni-lateral disengagement and repeated incursions have delayed the implementation of various program activities that depend on import of materials (metallic reservoirs, wastewater treatment plants).

Repeated israeli military incursions in villages of both Jenin and tulkarem governorates became very frequent. The level of unemployment which was very high in all the Palestinian territories (unemployment rate in the 1st and second quarter of 2006 is 32.5%) Was higher in gaza and the governorates affected by the unilateral disengagement. Internal migration of workers from northern governorates to ramallah became very clear. Nablus and gaza were the most affected.

This has deep effect of the implementation of certain activities of some projects, particularly paying beneficiary contribution in some activities (e.G. Cisterns) which continues to be a problem. Parc in many cases (3) in illar has mobilized social solidarity to pay the beneficiary contribution on behalf of very poor women heading their families because other wise they were to quit from implementation. In other cases, farmers have withdrawn from continuing their land reclamation after been selected. These were replaced by those who came after in the ranking list. Out of 187 applicants for land reclamation, 21 of them have withdrawn and refused to continue land reclamation.

Gaza governorates were the only governorates to have the chance to benefit of parc support to cut flowers export. The export season began successfully despite many obstacles and lobbying and advocacy efforts of the nro remain crucial in this field. The same can be said concerning the vegetable export sector which was implemented exclusively in gaza and jordan valley only.

Household economy became the last refuge for most of the rural people in pt. This fact urges most of the rural families to re-think their own sources to secure their
livelihood. This became very clear during the program implementation, and reflects itself by the large number of applications received after the announcement of the project in the targeted locations.

4.1.3. Main obstacles encountered during the implementation period

- Fuel prices have been increased which affects all services providers; machineries works, transportation…..Etc.
- Shortages in construction materials, fencing materials, and irrigation accessories due to restrictions imposed on these materials at karni and other importing channels.
- Shortages in paving materials resulted in delaying of rehabilitation of agricultural roads in gaza strip.
- Olive collecting season and ramadan hindered the achievements of the various planned activities.
- Repeated incursions of israeli military forces destroyed part of the reclaimed areas in gaza (beit hanoun), irrigation networks in khan younis and resulted in changing the place of one the pilot treatment plants two times. All equipment of parc and s&c program were destroyed during the israeli devastating incursion in beit hanoun.
- Difficulty of movement which have increased the burden on the field workers and increased its cost.
- The impossibility for big number farmers to pay their cash contributions in the projects. Due to the harsh economic situation of farmers, most of the farmers were reluctant to apply for land reclamation and construction of cisterns, since a contribution of 25% is demanded. Therefore, in order to overcome this difficulty, parc has encouraged contractors to employ beneficiaries as workers in activities such as construction of cisterns and land reclamation, so that poor farmers will be able to participate in these kind of projects, paying their contribution in kind (labor). Parc has tried and succeeded in some locations to avoid restricting the subsidy to richer farmers who can pay their contribution more easily.

The merging of branches of the north wb gaza and central branches was not seen in the same way in all branches. This was highly appreciated in the northern branch but received with some concern in the central branch and gaza.

4.2. Progress towards stakeholders participation

Parc’s program covers wide range of activity where a quite great number of stakeholders are involved. These activities have cross cutting with a number of ministries and governmental agencies. These are:

1. Ministry of agriculture (moa),
2. Ministry of labor (mol),
3. Ministry of local governments,
4. Ministry of finance (mof),
In general, the relation between parc and these ministries was a cooperative one and they were supportive to parc activities and a number of them were members of steering committees of a number of projects (moa, pwa, and penqa). Other ministries (mof, mol and moi have a monitoring role. Their involvement became less important during the strike of governmental employees. This strike has affected negatively the work of parc: delayed some work and delayed payment to suppliers of goods and services.

Donors community are considered also very important stakeholder. As a result of the deteriorating socio-economic conditions in the palestinian people, donors’ funds were oriented towards emergency humanitarian aid which has left little funds for development. This was accompanied by involvement of increasing number of european ngos who started their activities in the palestinian territories without significant coordination with local ngos. However, some of the european ngos continued their coordination and cooperation with the palestinian ngos. The work of the agricultural sector group was also affected by the boycott that was imposed on the pna after hamas has formed the government.

More active involvement of some european representative offices in the lobbying and advocacy for releasing the restrictive measures imposed on the export and imports of goods through carny crossing (e.G. Nro). This had very positive impact during the last year, particularly during the second half of the year.

Community based organizations (cbos) working in the rural areas were highly involved in the implementation of parc’s program. Parc’s considered them as social partners and their role was decisive in identification of projects’ activities, selection of the beneficiaries and monitoring of the implementation of great number of activities in the field of land development, rural sanitation, irrigation networks, and saving and credit activities, etc. PARC cooperation with these cbos participates in capacity building of these organizations and improving their efficiency in implementing developmental and humanitarian projects in favor of their communities.

After the communal (village and municipal councils) elections these councils became an important partner of parc and its sisters or daughter organizations like the palestinian farmers union (pfu), youth development society (yds) and rural women development society (rwds permanent member in projects’ committees in the villages and influential stakeholder too. In implementing the various developmental and humanitarian projects.

In addition to all these stakeholders, other national and international ngos, working in the palestinian territories, are considered important stakeholders. A relation of cooperation, coordination and sometimes competition on financial resources existed between them and parc. The cooperation and coordination helped in avoiding duplication of efforts and wastage of resources. In this respect, distinguished
cooperation was registered between parc and the partner ngos working in agricultural sector (sham’).

4.3. Beneficiaries’ analysis
Beneficiaries of parc’s program activities are distributed among the west bank and gaza strip. The activities of parc were implemented in 178 villages, small towns and refugees’ camps. The beneficiaries in these locations are classified into 3 main target groups:

4.3.1. Farmers
These are divided among two main categories, farmers in rain fed agriculture and the farmers of irrigated agriculture. The beneficiaries under the rainfed agriculture are generally small to medium farmers with ownership ranging between few dunums (fractions of hectare) to less than 2 hectares. Very few of them have up to 5 dunums. Beneficiary farmers from rain fed agriculture consider agriculture as secondary source of income while farmers in irrigated agriculture, this represents their main source of income. Farmers in irrigated agriculture are also of the same category. The great majority of them have less than one hectare. Among irrigated agriculture farmers, parc targeted for the first time the farmers working for export; particularly the cut flowers farmers in gaza strip and farmers cultivating vegetables for export in gaza strip and jordan valley. With very few exception most of the farmers are small farmers and their ownership is far below one hectare.

4.3.2. Rural women
This is the second major target group for parc and most of them are living in rural or peri-urban areas (living in small towns). Some of these women are living in the refugees’ camps in gaza. Parc works with them on 2 major sub-programs; social and economic empowerment ones. Most of these women are housewives and suffer from unemployment and marginalization.

4.3.3. Young youth
This is the third target group. Parc started the work with this group rather late
compared with the first two groups. Under this group we target unemployed young youth, students in the secondary schools and universities. The great majority of these are rural youth.

The beneficiaries from the above three target groups are either individuals or organized in community based organizations (cbos): formal and informal ones. The formal cbos are either cooperatives or charitable associations. The informal ones are distributed among committees for development and specialized groups. The formal cbos are working in the field of water, saving and credit groups (women and farmers), specialized agricultural cooperatives. These cooperatives cover both plant and animal production.

4.4 Implementation arrangements

The program that parc is implementing is composed of a big number of projects which are funded by a big number of donors and in cooperation with several local and international partners. Each of them has his rules and approach which has obliged parc to develop a rather dynamic and flexible administrative and financial procedures that enable her to respond to all these requirements. The organizational and implementation procedures were so clear that enable her to choose the right technologies and to use the available ones in a successful way.

4.4.1. Weakness of implementation strategy

Implementation strategy that was put by parc for all activities of the program is based on a number of principles:

- **Participation:** beneficiaries, through elected representative committees participate in all steps of implementation starting by announcement about the project, selection of beneficiaries, selection of service providers and supervision of the work.

- **Transparency and free competition:** this includes all implementation procedures, selection of beneficiaries, sub-contracting procedures, quality control of provided services and constructed infrastructure facilities. All these have been documented in the operational manuals that are prepared for most of the projects. Selections of beneficiaries in most of the projects of the program are selected in open workshops that gather all applicants. Tendering is done in a very transparent way that gives a free competition and equal opportunities. According to the size of contracts it is either direct negotiated procedure in small contracts or international open
tendering in big ones.

- **Equity**: equity and equitable distribution of services among parc’s target groups are guiding principles for its work. Parc work to ensure equitable access to resources for both sexes without discrimination. No discrimination according to religion or political affiliation of potential beneficiaries is tolerated by parc.

- **Accountability**: parc feels accountable to beneficiaries, community and donors. For that parc has developed its financial and administrative systems to respond to that. It has also developed its operation manuals for nearly all activities in a way to ensure this.

These principles constitute both strength and weakness points of the implementation strategy. Participation of beneficiaries promotes the ownership feeling of beneficiaries which is considered a very important pillar for ensuring sustainability of the benefit of the implemented projects. It also enhances and raises parc’s social credibility, beneficiaries satisfaction and understanding of non beneficiaries and eventually enhance social legitimacy.

Transparency and free competition in tendering procedures is considered a point of strength because this ensures that beneficiaries get the best services or goods for the available fund. This have given very good results and gave a push to collective purchase of agricultural inputs which is implemented in the cadre of the project for supporting small farmers of livestock breeders which is funded by the arab fund for social and economic development. However, it has been noticed in some occasions that this raises the price of goods and services. This was particularly true in medwa project international tendering procedures. The complication accompanying international open tendering procedures has resulted in delaying of the implementation of the planned activities due to the long delay in approving these procedures by the ec.

### 4.4.2. Organizational and implementation procedures

Parc did her best to ensure successful implementation of this program. At the organizational level, parc has ensured that:

- **Qualified staff recruited**: PARC has a pool of very experienced staff that have a wide range of specialties needed for its program. In case that certain competence is lacking, parc did not hesitate to go for either national of international market to ensure this.

- **Projects manuals prepared**: project’s operational manual is prepared when ever the value of the project is exceeding or equal to 30,000 €.

- **Management information system for the projects prepared**: These were part of the mis that parc has put into service by mid of 2006. This enables the projects managers and projects’ coordinators real time intervention to ensure that the projects are implemented in the best conditions.
Announcement about the project for public by all possible means:
all available methods for announcing about projects’ activities are used to ensure that all potential beneficiaries of projects’ services have access to the information related to each project in order that free competition is ensured with full transparency. This includes: written notes that are fixed in the common places in villages, using of loud speakers of the mosques and holding of workshops in the villages where interested people are invited to attend.

Formation of local committees: these have important role in supervision and monitoring of activities in addition to participation in the selection of end beneficiaries with full transparency and free competition.

Gender aspect and priority for their active participation

Tendering and procurement process

Verify the level of satisfaction of end beneficiaries about the delivered services.

4.4.3. Success and constraints in the use of technologies

Most of the used technologies needed for project implementation are available in our local market and farmers are familiar with it. The tools and methods were environmental friendly and their use have guaranteed the protection of natural resources such as soil and water, especially preventing soil erosion and increasing the arability of the land.

Activities that are aiming at raising skill and know-how of the target groups as well as the methodology of implementation are going to improve the target groups’ and partners’ technical and management capacities (organic farming, ipm, and irrigation and water resources management). The utilization of the tensiometer in irrigation water scheduling is considered to be a new practice for the majority of irrigation farmers and it is thoroughly explained during the conducted irrigation training courses. Farming as a business (faab) is a new concept for the majority of farmers and dealing with all agricultural activities as business will improve their work and improve their managerial capacities. Parc has entered in 2006 a new field in which it has started implementation of projects that target farmers producing for export: flowers and vegetables. These need certain experience which is not available at parc. Parc has succeeded to overcome the difficulties faced through contracting the needed experience. Parc has also contracted other services for the development of

4.5. Monitoring arrangements

The planning and development officer has played the role of internal auditor during 2006. He gave good support to the top management to improve the monitoring
of the different projects. Evaluation and monitoring plan became a must for an increasing number of projects that are implemented in the cadre of parc’s program. These systems depended mainly on the results chain management approach (rcm) which allows closer monitoring and better accountability and transparency during implementation.

A number of monitoring missions have been organized for certain projects (e.g. Medwa project). For big projects like the project funded by the nro “improving livelihood in palestinian territories in north west bank and gaza” internal monitor was assigned.

Due to the vital role of the monitoring process, the project manager assigned one officer to carry out the internal monitoring. For this purpose different forms have been developed to trace the following:

- Transparency during announcement, selection of beneficiaries, bidding and contracting…..Etc.
- Participation of the local committees during selection of end beneficiaries, bidding and contracting, following –up of the project implementation, hand over of the contracted services and supplies….Etc.
- Degree of relevance of the planned services to their needs.
- Understanding of the non selected applicants of the decision taken by the local committees.
- Satisfaction of the end beneficiaries about the project implementation.
- Use of the available resources (efficiency).
- Achievement of the expected results and the project goals (effectiveness).
- Tracing of the impact of the project at individual and village level.
5. Performance

5.1. Means planned and used

5.1.1. Problems encountered during means acquisition

The last year was one of the hardest years for the Palestinians in general and target groups of PARC’s rural development program. The problems that were encountered during the acquisition of means were related to:

- **Local conditions:** the deterioration of general economic situations in the Palestinian territories has affected the beneficiaries’ capabilities to pay their financial contributions. The second but very difficult problem was the import of agricultural inputs to Gaza which was badly affected by the closure that has converted it into a big prison. This included fertilizers, pesticides, the cut flowers, packaging materials and most of agricultural inputs as well. The prices of base course and other building materials in Gaza (affected by closure of Karni crossing) also increased enormously and resulted in the increase of implementation cost.

- **Changes in the international market:** also last year has witnessed sharp rising in the prices of many inputs: fuel which has led to the increase in machinery work cost. The prices of steel has also increased a lot and affected considerably the prices of implementation of rainwater harvesting facilities.

5.1.2. Equipments, works and supplies

The last year has witnessed a great extension of PARC’s work to cover new fields in addition to the fields that PARC’s used to work in. The equipments that PARC has to rent were related to the fields of land reclamation, opening of agricultural roads and construction of rainwater harvesting facilities remain without changes as the past years. Under these works one can mention the rent of the following equipments: bulldozers, hydraulic hammers, air compressed jacks, roller and other heavy machineries. However, the supplies became a bit more diversified. In addition to the traditional agricultural inputs that PARC used to purchase (fruit trees seedlings, tensiometers, seeds, and organic pesticides) PARC has had to buy new agricultural inputs for the first time like the cut flowers, chemical fertilizers...
and chemical pesticides. These were restricted on projects for the encouragement of agribusiness (cut flowers and vegetables for export).

5.1.3. Subcontracted services and works
Sub-contracted services also were diversified and included a variety of works targeting a number of objectives including raising the awareness and know-how of farmers (brochures and pamphlets), increasing the visibility of donors and dissemination of information (web-sites for particular projects: medwa and gewamed). Services like base line surveys, evaluation and development of strategic plans were also part of the works that parc has contracted in addition to the work of irrigation networks installation, training, construction of metallic reservoirs and construction of collective and individual wastewater treatment plants. Procurement of these services and works varied between direct negotiated ones and international open tendering ones. In the majority of these subcontracting deals local open tendering procedures were applied.

5.2. Activities planned and implemented
The year 2006 has witnessed rather big expansion of parc’s program in the field of land development and other activities that contribute to the improvement of food security at household level (first strategic goal of parc). On the other hand, parc has faced some difficulties for financing the activities that contribute to the achievement of the second and third strategic goals of parc. Between 40 and 50% of the fund was ensured after the first semester of the year. This has created some difficulties in presenting the achieved results in comparison with the planned one. To overcome this difficulty we have decided to include all activities that were planned, in all funded projects till the end of the third quarter of 2006, in the plan. Part of the activities that were introduced to the plan was new to parc’s fields of activities. This includes the activities in the field of agribusiness. Parc for the first time intervened to help farmers working in flowers and vegetables that are cultivated mainly for export.

The achievements in the various sub-programs in comparison with what was planned in 2006 are good to excellent. There are some exceptions due to failure in ensuring finance of certain activities. In the following, one finds a quick overlook on the achievements in the various sub-programs:

- Extension/agronomists sub-program: percentage of achievement of the various activities varies between 0% (T.V and radio series produce) and 500% (subsidy to organic farm conversion). Average percentage of achievement is about 134%.

- Women’s social sub-program: percentage of completion of the planned main activities of this sub-program varies between 28.6% (Number of supported income generating projects) and 395.1% (Civic education through workshops). Average percentage of achievement is about 123%.
Saving and credit sub-program: the lowest percentage of activity’s achievement is 60% (providing financial support to cooperatives) and the highest is 301% (workshops on various issues). Average percentage of achievement is about 141%.

Farmers sub-program: the percentage of achievements of activities in this sub-program vary between 0% (brochures, tv spots) and 577% (providing subsidy for farmers to have collective purchase). Average percentage of achievement is about 169.6%.

Youth sub-program: the percentage of achievements of activities in this sub-program vary between 0% (organization of solidarity campaigns and) and 266.7% (Organization of voluntary campaigns). Average percentage of achievement is about 83.4%.

Civil society sub-program: the lowest percentage of activity’s achievement is 60% (organizing of training courses) and the highest is 187.4% (Extension visits). Average percentage of achievement is about 126.5%.

Social solidarity sub-program: this program has almost been stopped. The activities in this sub-program were restricted to humanitarian interventions (10000 food baskets, 1240 students’ kits, and adoption of 8 families). Nothing was done to institutionalize this sub-program.

Land development sub-program: the lowest percentage of achievement is equal to 47.7% (Opening of agricultural roads) and the highest is equal to 314.3% (Training on various issues). Average percentage of achievement is about 142.8%. The delay of implementation of roads in gaza due to closure of karni crossing was behind the low percentage of achievement of the roads.

5.3. Outputs and outcomes
Outputs and outcomes of parc’s program covers wide spectrum of fields related to rural development, civil society and agriculture. These are classified under 8 sub-programs which are designed to achieve 3 main strategic goals. The following table summarizes the achieved outputs and outcomes under the 8 sub-programs in the same form included as annex to the contract signed between parc and both oxfam novib and christian aid.
### SUMMARY OF OUTPUTS AND OUTCOMES OF PARC’S SUB-PROGRAMS

<table>
<thead>
<tr>
<th>Sub-programs</th>
<th>Overall objectives</th>
<th>Intermediate objective (purpose)</th>
<th>Results</th>
<th>Planned Sub-results (outputs)(2006)</th>
<th>Sub-results (outputs)(2006)</th>
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</thead>
<tbody>
<tr>
<td>1. Agricultural Extension Sub-Program</td>
<td>- Enhance Food Security &amp; Sustainable Agricultural Development in PT</td>
<td>Adopting and promoting new techniques and methods of sustainable agriculture</td>
<td>- Financial Support Provided</td>
<td>• (20) farmers receive subsidy for farm conversion</td>
<td>• (100) farmers receive subsidy for farm conversion</td>
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<td>- Farmers involved more in application modern and safe techniques.</td>
<td>• (160) farmers move to organic and safe agricultural produce</td>
<td>• (300) farmers move to organic and safe agricultural produce</td>
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<td></td>
<td>- Know-how and skill developed</td>
<td>• (40) newly graduate agronomists receive long term training</td>
<td>• (40) newly graduate agronomists receive long term training</td>
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<td></td>
<td></td>
<td></td>
<td>• (24) T.V and radio series produced</td>
<td>• (0) T.V and radio series produced</td>
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<td></td>
<td></td>
<td></td>
<td>• (2) brochures, (2) pamphlets and (4) researches published</td>
<td>• (7) brochures, (1) pamphlets and (3) researches published</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Training of (253) farmers in 15 training courses</td>
<td>• Training of (230) farmers in (15) training courses</td>
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<td>• Participation in 4 local and regional conferences.</td>
<td>• Participation in 3 local and regional conferences.</td>
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<td></td>
<td>• Conduction of (24) capacity building training courses for (360) farmers</td>
<td>• Conduction of (6) capacity building training courses for (90) farmers</td>
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<tr>
<td>2. Women Social Program</td>
<td>- Reinforcing the Sustainability of Grassroots, Syndic and Specialized Rural Organizations</td>
<td>Activating the role and Status of Rural women and their organization on social level</td>
<td>- Rural women achieve their political, social and economic rights</td>
<td>• (18) women leaders reach decision making in their communities</td>
<td>• (22) women leaders reach decision making in their communities</td>
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<td>- Strengthening the capacities of rural women organizations,</td>
<td>• Training of about (800) women in various issues through 40 courses</td>
<td>• Training of about (1045) women in various issues through 62</td>
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<td>- Developing the productive role of rural women</td>
<td>• Developing (265) house gardens</td>
<td>• Developing (265) house gardens</td>
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<td></td>
<td>• Civic education of around (797) women through 75 workshops</td>
<td>• Civic education of around (3149) women through 1500 workshops</td>
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<td>• Supporting the foundation of (14) small income generating projects for women</td>
<td>• Supporting the foundation of (4) small income generating projects for women</td>
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<td>• (16) women clubs furnished</td>
<td>• (14) women clubs furnished</td>
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<td></td>
<td>• Holding of (5) workshops on marketing for (124) women</td>
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<tr>
<td>Sub-programs</td>
<td>Overall objectives</td>
<td>Intermediate objective (purpose)</td>
<td>Results</td>
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<td></td>
<td>• Holding of (6) workshops on marketing for (120) women</td>
<td>• Holding 5 workshops in regards to administrative coordination’s for the women clubs and gatherings for the benefit of 141 women</td>
</tr>
<tr>
<td>3. Saving and Credit Sub-Program</td>
<td>- Reinforcing the Sustainability of Grassroots, Syndic and Specialized Rural Organizations</td>
<td>Supporting and building the capacities and skills of the saving and credit associations</td>
<td>-Organizational capabilities of the saving and credit associations improved, -Financial resources of the saving and credit associations enhanced</td>
<td>• Developing of administration and financial systems of (12) Saving and Credit associations • Formation of specialized union for Saving and Credit (1) • Training of about (630) women in various issues through (42) training course • Providing financial support to Saving and Credit groups (250,000 €) • Developing of about (300) income generating projects for women in (107) Saving and Credit groups • Holding 14 workshops on the concept of specialized union for the benefit of 550 women • Conduction of 56 consultations visits in the fields of administration, financial and legal fields for S&amp;C groups • Publishing one information brochure with contribution of all cooperatives • Preparation of the strategic plan for the Cooperatives Union</td>
<td>• Developing of administration and financial systems of (12) Saving and Credit associations • Formation of specialized union for Saving and Credit • Training of about (457) women in various issues through (26) course. • Providing financial support to Saving and Credit groups (118,500 €) for 30 S&amp;C groups • Developing of about (312) income generating projects for women in (107) Saving and Credit groups • Holding 45 workshops on the concept of specialized union for the benefit of 1008 women • Conduction of 126 consultations visits in the fields of administration, financial and legal fields for S&amp;C groups. • Publishing 2 information brochure with contribution of all cooperatives • Preparation of the strategic plan for the Cooperatives Union</td>
</tr>
<tr>
<td>Sub-programs</td>
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<tr>
<td>4. Farmers Gatherings and Organizations Sub-Program</td>
<td>- Reinforcing the Sustainability of Grassroots, Syndic and Specialized Rural Organizations. &lt;br&gt; - Contribute to Strengthening of National Struggle for Independence.</td>
<td>Enhancing and building the capacities of the farmers’ gatherings</td>
<td>• Training for about (450) farmers in the agricultural gatherings on farm management feasibility studies and other financial and administrative issues through (35) courses &lt;br&gt; • Providing subsidy for (100) farmers’ in (5)associations for collective purchase &lt;br&gt; • Equipping and logistic support providing for (3 farmer caners) &lt;br&gt; • Organizing (4) marketing exhibitions &lt;br&gt; • Developing of financial and administrative system for (20) farmers’ gatherings &lt;br&gt; • Publishing (2) brochures, pamphlets and emitting (12...) radio and T.V series</td>
<td>• Training for about (480) farmers in the agricultural gatherings on farm management feasibility studies and other financial and administrative issues through (35) courses &lt;br&gt; • Providing subsidy for farmers’ associations (577 loans) for collective purchase in (22) cooperatives &lt;br&gt; • Equipping and logistic support providing for (1) farmer caners &lt;br&gt; • Organizing (0) marketing exhibitions &lt;br&gt; • Developing of financial and administrative system for (20) farmers’ gatherings &lt;br&gt; • Publishing (0) brochures, pamphlets and emitting (0) radio and T.V series</td>
<td>• Training for about (480) farmers in the agricultural gatherings on farm management feasibility studies and other financial and administrative issues through (35) courses &lt;br&gt; • Providing subsidy for farmers’ associations (577 loans) for collective purchase in (22) cooperatives &lt;br&gt; • Equipping and logistic support providing for (1) farmer caners &lt;br&gt; • Organizing (0) marketing exhibitions &lt;br&gt; • Developing of financial and administrative system for (20) farmers’ gatherings &lt;br&gt; • Publishing (0) brochures, pamphlets and emitting (0) radio and T.V series</td>
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<tr>
<td>5. Youth and Voluntary Work Sub-Programs</td>
<td>- Reinforcing the Sustainability of Grassroots, Syndic and Specialized Rural Organizations. &lt;br&gt; - Contribute to Strengthening of National Struggle for Independence.</td>
<td>-To enhance youth gatherings &amp; their leaders &lt;br&gt;-To develop voluntary work groups.</td>
<td>• Training of about (500) youth in communication and leadership through 30 courses &lt;br&gt; • Organizing of (1) International and (60) local summer camps &lt;br&gt; • Logistic support for (5) youth centers and (1) folkloric groups &lt;br&gt; • Organizing (3) voluntary and (0) solidarity campaigns &lt;br&gt; • Publishing (1) brochures and pamphlets and emitting (20) radio and T.V series &lt;br&gt; • Participation in 5 activities for youth networking &lt;br&gt; • Playing of 23 shows (films) on Gandhi’s Philosophy in Hebron District</td>
<td>• Training of about (500) youth in communication and leadership through 30 courses &lt;br&gt; • Organizing of (1) International and (60) local summer camps &lt;br&gt; • Logistic support for (5) youth centers and (1) folkloric groups &lt;br&gt; • Organizing (3) voluntary and (0) solidarity campaigns &lt;br&gt; • Publishing (1) brochures and pamphlets and emitting (20) radio and T.V series &lt;br&gt; • Participation in 5 activities for youth networking &lt;br&gt; • Playing of 23 shows (films) on Gandhi’s Philosophy in Hebron District</td>
<td>• Training of about (527) youth in communication and leadership through 30 courses &lt;br&gt; • Organizing of (1) international and (26) local summer camps &lt;br&gt; • Logistic support for (1) youth centers and (0) folkloric groups &lt;br&gt; • Organizing (8) voluntary and (0) solidarity campaigns &lt;br&gt; • Publishing (1) brochures and pamphlets and emitting (3) radio and T.V interviews &lt;br&gt; • Participation in 6 activities for youth networking &lt;br&gt; • Playing of 26 shows (films) on Gandhi’s Philosophy in Hebron District</td>
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<tr>
<td>Sub-programs</td>
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<tr>
<td><strong>6. Civil Society Sub-Program</strong></td>
<td>- Contribute to Strengthening of National and Social Struggle.</td>
<td>Strengthening the values and culture of civil society.</td>
<td>- Awareness in civil rights raised, -Skills of activists and staff of civil society organizations enhanced.</td>
<td>•(25) Training courses and (181) workshops held for civil society issues with 5430 participants •(4) lobbying and advocacy campaigns held •(2) National conferences and seminars held •Publishing of (4) brochures and pamphlets and (20) Radio and T.V series •Providing (40) consultancy visits to civil society friends committees •Provided (667) extension visits •Conduction of 1 international volunteer camp with participation from 60 local and international volunteers •Work on 1 volunteers camp with the participation of 150 volunteers</td>
<td>•(15) Training courses and (300) workshops held for civil society issues with 3100 participants •(4) lobbying and advocacy campaigns held •(3) National conferences and seminars held •Publishing of (3) brochures and pamphlets and (30) Radio and T.V series •Providing (60) consultancy visits to civil society friends committees •Provided (1250) extension visits •Conducting of 1 international volunteer camp with participation from 30 local and international volunteers •Work on 1 volunteers camp with the participation of 150 volunteers</td>
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<tr>
<td><strong>7. Social Solidarity Sub-Program</strong></td>
<td>- Contribute in achieving sustainable agricultural development and food security.</td>
<td>Strengthening social solidarity in helping poor families</td>
<td>-Financial and managerial capacities of social committees enhanced, -Popular committees for social solidarity supported by local communities</td>
<td>No funds were available till the updating of annual action plan of 2006</td>
<td>•Holding (0) workshops and (0) training courses for social solidarity groups •Organizing (0) lobbying and advocacy campaigns •Organizing (0) conferences •Publishing (0) pamphlets and brochures and (0) radio and T.V series •Distribution of 10,000) food baskets to 10,000 poor families, •Distribution of students kits for 1240 students •Adoption of 8 of poor families for 1 Year.</td>
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<td>Sub-programs</td>
<td>Overall objectives</td>
<td>Intermediate objective (purpose)</td>
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<td>Planned Sub-results (outputs)(2006)</td>
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<td>8. Land Development Sub-Program</td>
<td>- Contribute in achieving sustainable agricultural development and food security</td>
<td>Access to food in Rural Areas in the Palestinian Territories Improved</td>
<td>• Training of about (210) farmers on Irrigation water management, 14. training courses</td>
<td>• Training of about (660) farmers on (40) courses on irrigation water management and other subjects</td>
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<td></td>
<td>• Improving land arability through land reclamation of (1580) dunums</td>
<td>• Improving land arability through land reclamation of (2955) dunums</td>
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<td></td>
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<td></td>
<td>• Increasing water availability for agriculture by (128,000) m³ through construction of (606)</td>
<td>• Increasing water availability for agriculture by (138,860) m³ through construction of (606)</td>
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<td></td>
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<td>cisterns and (157) pools</td>
<td>cisterns and (128) pools</td>
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<td></td>
<td>• Opening and rehabilitation of (64) Km of agricultural roads in favour of (2000) dunums and</td>
<td>• Opening and rehabilitation of (30.5) Km of agricultural roads in favour of (1099) dunums and (555) farmers,</td>
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<td>(1100) farmers,</td>
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<td>• Providing soft loans to cultivate 409 dunums of carnations amounting to,</td>
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<td>• Providing soft loans to cultivate 104 dunums of vegetables for export</td>
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<td>• Creation of (70,000) person/day jobs in favour of (10,000) unemployed worker</td>
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<td>• Publishing of 6 Brochures on various agricultural &amp; Environmental issues in 18,000 copies.</td>
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<td>• Installation &amp; rehabilitation of 15 km of irrigation networks</td>
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6. Progress towards Sustainability

Ensuring sustainability of the benefits of parc’s interventions throughout its program was a major objective that parc worked hard to achieve. For achieving that parc has focused on the following factors of sustainability:

6.1. Ownership by beneficiaries

Promoting the ownership of the works, services, and facilities provided by the program, was considered as one of the most important factors of sustainability. During the last year, individual and community ownership were strengthened. An elected committee that represents different stakeholders at each location was established. These committees were involved in decision-making concerning beneficiary selection, development, and monitoring of the action plan. This involvement has led to a positive feeling among beneficiaries.

Ownership has been strengthening through:

- The beneficiaries were an important partner in the planning step for the various projects that form the program, by selection of the locations and the activities to be conducted. The saving and credit sub-program witnessed in the last year extensive participation of the target groups during the process of the development of the business and strategic plan.

- To make the work more viable some contributions were taken from the beneficiaries either in cash or in-kind. Under the bad economic situations that dominated the Palestinian territories in the last year, farmers and women will certainly maintain and sustain any facility in which they financially contributed.

- Involvement of target groups in program’s implementation and monitoring that increase the feeling of ownership of the target groups of the program. This will form the main guarantee for sustainability of the program’s benefits.

- Sub-contracting process where beneficiaries have been involved in ensuring the technical quality of the implemented work. While parc was principally responsible for putting the standards and norms, both parc and
the beneficiaries (committees) have monitored and supervised the work in field.

This way of implementation assists in empowering the local committees and provides them with on-job training through their work in the various projects of the program. All values of civil community (transparency, equity and good governance) have been conveyed and practiced during program’s implementation.

6.2. Appropriate technology
All included technologies in the cadre of this program are appropriate technologies and very suitable to palestinian context. No sophisticated technologies that entail expensive maintenance is included in the program.

Land reclamation that uses some heavy machinery in one component (leveling) and intensive labor in other (terracing) were very appropriate to the prevailing conditions of wide-spread of un-employment and high poverty level. Rainwater harvesting in cisterns and pools, for either agriculture or agro-domestic purposes, is deeply-rooted in palestinian culture and is suitable and proved to be sustainable.

Maintaining and rehabilitation of collective irrigation networks will allow for farmers to expand their businesses and practice new irrigation technology since a sufficient quantity of water with adequate pressure will be made available.

Training on home gardening, organic farming, water resources management, ipm and farming as businesses (faab) that were held and introduced some new concepts and good practices were designed to reduce framers hesitation to adapt these new knowledge and practices and were supported by the continued extensive extension services.

6.3. Respect of socio-cultural norms and attitudes
The program did not introduce anything in contradiction with socio-cultural norms and attitudes. The interventions in the cadre of this program are going to increase the dependence of beneficiaries and love to their land.

Land ownership is an important cultural value for farmers and owning fertile land (one of the results of the program) will enhance this value. Opening and rehabilitation of the agricultural roads will help in strengthening this feeling and will allow farmers to develop and serve new areas.

Rain water harvesting is a deep rooted practice in palestinian culture and is encouraged to cover new fields (rainwater harvesting from roof-tops of greenhouses) to give it more economic value. The harvested rain water from in both cases: in the cisterns and cement pools will render the agricultural work more profitable and give new perspective for increasing the surface area of the arable land.

Participation of women in local committees and the active role given for them
during program’s implementation highlight their capacities and increase their role in decision making and the degree of the acceptance of their role by the local societies.

The projects implementation approaches in the cadre of this program were designed to strengthen the social solidarity and voluntary works which is deeply appreciated by villagers.

Saving and credit sub-program which implemented in the cadre of parc program is also a good example of developing a deep rooted practices and known as jami’yah. The program developed this practice into successful micro-credit practices.

6.4. Gender issues

Rural women have a major role in achieving food security and self-sufficiency in palestine. It is also will known that most of the work in agriculture is carried out by women. Under recent circumstances that dominate the palestinian territories, the women’s role was maximized and the importance of the projects and sub-programs (saving and credits, women empowerment activities) that target women occupy increasing importance. As a result of this, women were addressed intensively in this program.

- PARC invested a lot in developing the sub-programs targeting women: the saving and credit sub-program has received special attention; a strategic plan was developed and received quite good support to saving and credit cooperatives was provided.

- Women were considered privileged and positive discriminative measures were put in favor of them when developing the selection criteria for different programs services: home gardens were exclusively for women.

- PARC started a project for mainstreaming gender issues in the field of sustainable water management.

- Training, where a number of training will target exclusively women (home gardens development)
and women will benefit from other training courses side by side with men farmers. Women clubs have a leading role in all the arrangements taken for conducting these courses in the targeted locations.

Women participation in local committees was one of the measures ensured by parc’s district directors and field supervisors.

6.5. Institutional and management capacity
For enhancing the institutional and management capacity as part of the sustainability factors of program’s benefits parc has worked during the last year on two main axes:

6.5.1. Parc’s level
The year 2006 was concluded with a meeting for the general assembly of PARC which resulted in creating a new Board of Directors and a supervision committee. Eight members are from the West Bank and five from Gaza Strip with the election of Dr. Ismail Daiq as Head of Board of Directors. Also, a new executive administration for PARC was formed with Mr. Khalil Shiha being the Director General and Dr. Abdullatif Mohammad the Deputy Director General.

In 2006, PARC kept its attitude of merging branches on the basis of a set of developmental and administrative facts which have accumulated throughout its long experience in rural development. PARC continued to implement the general evaluation’s recommendations. PARC implemented the recommendation of dissolution of the North West Bank branches and forming the North West Bank branch as well as the dissolution of the branches of central West bank and forming the Central West Branch. The 3 branches of Gaza strip were unified in one branch again. Only the branches of the southern part of the West Bank are still not unified. The administrative decentralization was one of the elements contributing to the success of the developmental process which enabled PARC to realize its developmental objectives.
Being aware that the organizational and administrative developments are prerequisite to any developmental process, PARC was concerned in 2006 to revise and develop various systems and procedures. There was a comprehensive analysis for work environment accompanied with a review for the strategic plan, development of new systems related to quality supervision and risk management. In other words, these systems were developed to keep pace with modern challenges and requirements.

Since efficiency in running human resources leads to ensuring the association’s efficient work in regard with realizing its developmental objectives, PARC, on the one hand, renewed all job descriptions and carried out a thorough study for the training needs for the staff. On the other hand, it resumed applying the administrative information system which is a basic factor supporting administrative work since it provides accurate information that helps in the strategic planning and decision-making on internal and external levels.

The fact that development is a complicated process requiring operational, human and organizational capabilities, PARC paid sincere attention to its branches, offices and institutes which were fully equipped with computers, printers, photocopy machines, scanners, digital cameras, faxes, fixed phones and mobile phones.

PARC was also interested in improving the performance of staff through evaluating their achievements and needs and providing them with every necessary training to enhance their abilities and skills. There was a study about the needs of staff and the level of their job satisfaction which was the cornerstone for a long-term training plan. Additionally, in 2006 PARC provided the staff with training activities such as basic skills in information technology and information systems since such topics are considered important for work at PARC. Furthermore, 54 employees benefited from the university training and education program in fields like financial analysis, bad debt management, interest rates, operational risk management, participation in water management, modern techniques of report writing, English language, development of work plans, preparation of educational visual media, media skills, communication skills, organic agriculture, strategic planning, capacity building, camp management, participatory fast research and international computer driving license.

The total number of employees at PARC in 2006 – until 31-Dec-2006- was 128 employees with women constituting 37%.

The Internal controller continued to play important role, together with the team for development and follow up of the evaluation’s recommendation, in developing the work and control of the implementation of the approved regulations in the various departments. The implemented program covers all governorates of the West Bank and Gaza and benefits of the logistics that are available at the 4 branches of the West Bank and Gaza.
6.5.2. Beneficiaries level
The second strategic goal of parc is aiming at the reinforcement of the role of community based organizations, syndic and specialized organizations in the life of palestinian civil society. To achieve this goal the programs adopted several approaches:

- Empowerment of the administrative committees of these cbos and development of both administrative and financial systems for them. It has also included the development of strategic and business plans (saving and credit union).
- On-job training of these cbos: the implementation methods have ensured participation of different stakeholders during different process of the project life cycle. The above mentioned cbos or local committees at targeted villages that have been established were partners for parc in the implementation of all programs’ activities in these locations. These committees include representatives of farmers, women, youth, grassroots and cbos and village council.

The given role for these committees will empower, strengthen, and enhance social legitimacy of the local committees and provide them with on-job training through their work in the project, these committees will be participate in:

- Announcing about the project.
- Primary screening that will reinforce the spirit of equity and will clarify various biases.
- Application evaluation, which will strengthen the principles of transparency and increasing their accountabilities.
- They are participating in preparing tender documents which will empower their managerial capacities.
- In some activities (land reclamation) they will be part of the contracting process.
- They are participating on monitoring of the quality of the delivered services and materials. In addition, measures are also taken to ensure the cooperation between end beneficiaries. In the case of cement pools, there were agreements signed between the beneficiaries in order to regulate the benefits from each pool, and that measure will ensure the joint benefit of this pool.

All these measures has made of the institutional and management measures taken an added factor of sustainability of the program’s benefits.

6.6 Economic and financial viability
The positive economical impact of the planned activities on end beneficiaries in cadre of this program was clear. This has been achieved by:

- The constructed facilities use appropriate technologies suitable for palestine and for achieving the objectives that these were constructed for. This applies to rainwater harvesting facilities, wastewater treatment plants, irrigation networks, etc.
The constructed facilities do not require any significant running cost and little routine maintenance is required. As a result the local community or the individual beneficiaries can maintain and sustain.

During implementation, all possible measures have been taken for ensuring quality will be taken; this will minimize the need for maintenance in the first few years.

The implementation of most of the activities envisages important voluntary contributions from volunteers and beneficiaries which have led to decrease of the cost and improved the economic viability of the interventions. This is true for the work in the cooperatives of saving and credits and land development sub-programs.

The time recovery for all implemented facilities is relatively short and investments in these are recovered within 4-8 years. For certain activities that have rather long time of recovery (land reclamation) arrangement were made to reduce time recovery: selection of fruit trees with cash values, introduction of intercropping activities.

The following calculation shows the economic analysis for cisterns, pools and land reclamation:

A) Rain water harvesting cisterns
The palestinian agricultural pattern is mainly a rainfed agriculture, which is greatly affected by rainfall and generates low income. Cistern construction is a basic requirement to ensure domestic water requirements and to start any land reclamation process. These cisterns are vital for supporting the newly planted seedlings and encouraging intercropping, which leads to increasing land fertility and renders agricultural work more profitable.

Volumes of these cisterns usually are 60-100 cubic meters.

- Cistern construction cost is around 2500-3000$
- Average cost of other alternative (buying water tanks) is around 5$/m/3.
- Revenue / year 5$*60=300$
- Recovery period 2750/300=8 years

If we add to this, the value of produced vegetables as a result of irrigation, profitability of these cisterns became more prominent.

B) Cement pools
Irrigated agricultural is consisting of around 5-6% of the planted areas in pt. This pattern of cultivation is most attractive for farmers and the possibilities for its
expansion is mainly depend on water availability. In our case of high water shortages, rainwater harvesting from roof top of green house became one of the most appropriate techniques, and the average volume of these pools is 200-250 m³.

The annual volume of the harvested rain water by these pools is around 1000 m³.

- Pool construction cost is around 8000-8500$
- Average cost of other alternative (buying water tanks) is around 2$/m³.
- Revenue / year 2$*1000= 2000$
- Recovery period 8500/2000= 4.5 Years

If we look to land reclamation projects from pure economic aspects, its feasibility raises serious questions because this evaluation will be mainly affected by the cost of reclamation and eventual trees planted or models adopted after the end of land reclamation process.

Generally, the practical experience has shown that land reclamation will be economically feasible if the reclaimed land is planted by trees like grapes, apples or peach. It will not be feasible if it will be planted with olive trees. On the other hand, land reclamation projects help in reducing soil erosion, increasing the benefit of rainfall, it will fight desertification, and increase the productivity of trees planted in mountainous slopes. This is considered as an effective step towards the sustainable development in palestine. Another positive effect of land reclamation is its contribution to job creation in local communities. This has special importance to the rural areas that are suffering from high unemployment resulting from the israeli closure of the palestinian territories.

From the lessons learned and past experiences, parc has introduced intercropping as a solution for increasing the profitability of land reclamation and as intensive method for farmers to deploy more effort on the reclaimed areas.

6.7 Environmental protection

Most of the activities that are implemented activities in cadre of this program, if not all, have a positive impact on the environment. Increasing of water availability for agricultural and domestic purposes, by construction of rainwater harvesting facilities: cisterns, cement pools and metallic reservoirs, which will eventually decrease the pressure on ground water resources, are examples on the positive impacts that our activities have on environment.

Encouraging farmers to apply environment friendly practices; organic farming, integrated pest management, organic farming certification also contribute to environment protection and enhance sustainability of the programs benefits. Applying of irrigation water scheduling demos by using tensiometer will protect and reduce the pressure on the limited available water sources. From our past experience, training of farmers for using of these instruments showing considerable reduction in irrigation water consumption (15-25%).
Land reclamation, which is one of the major activities of PARC, will enhance the surrounding environment at targeted locations as follows:

- Soil protection, where building of stony retaining walls and seedlings plantation will prevent the soil erosion in the sloppy marginal land and it will increase the water storage capacity of the reclaimed lands.
- Plantation of proper and suitable varieties of seedlings will improve vegetation cover of the marginal land and reduce flood risks and erosion of the land.
### 7. List of Funded Projects 2006

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Donor</th>
<th>Project duration</th>
<th>Project budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Rehabilitation of green houses in Gaza strip</td>
<td>Diakonia</td>
<td>1/2/2006–1/7/2006</td>
<td>90000 Euro</td>
</tr>
<tr>
<td>3. Rehabilitation of damaged agricultural land in Gaza</td>
<td>Welfare Association</td>
<td>1/2/2006–30/12/2006</td>
<td>$60,000</td>
</tr>
<tr>
<td>4. Mainstreaming Gender Dimensions into water resources development and management in the Mediterranean Region</td>
<td>GEWAMED</td>
<td>1/1/2006–13/12/2009</td>
<td>50000 Euro</td>
</tr>
<tr>
<td>5. Gandi film screening</td>
<td>Relief International</td>
<td>16/3/2006–16/1/2007</td>
<td>$20,515</td>
</tr>
<tr>
<td>7. Urban Agriculture in Gaza Strip</td>
<td>American University of Beirut</td>
<td>1/3/2006–31/12/2006</td>
<td>$6,000</td>
</tr>
<tr>
<td>17. Supporting PARC’s Activities</td>
<td>OPEC Fund</td>
<td>20/6/2006–19/6/2007</td>
<td>$200,000</td>
</tr>
<tr>
<td>Project Title</td>
<td>Donor</td>
<td>Project duration</td>
<td>Project budget</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------</td>
<td>------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>20. Beit Arabiya</td>
<td>Church of Sweden</td>
<td>1/6/2006–31/12/2006</td>
<td>$75,000</td>
</tr>
<tr>
<td>21. Home garden- Bardala/ Palm trees plantation</td>
<td>APN</td>
<td>1/6/2006– 1/10/2006</td>
<td>$10,000</td>
</tr>
<tr>
<td>22. Distribution of plastic tanks- Gaza</td>
<td>Christian–Aid</td>
<td>15/7/2006– 1/9/2006</td>
<td>$37,000</td>
</tr>
<tr>
<td>23. From poor farmers to poor families</td>
<td>APN</td>
<td>1/8/2006– 1/9/2006</td>
<td>$86,925</td>
</tr>
<tr>
<td>27. Emergency project to reclaim damaged land in the east of Gaza</td>
<td>Diakonia</td>
<td>1/9/2006– 31/12/2006</td>
<td>7000 Euro</td>
</tr>
<tr>
<td>32. Urgent land reclamation and job creation</td>
<td>NPA</td>
<td>1/11/2006– 28/2/2007</td>
<td>$84,000</td>
</tr>
<tr>
<td>33. Jerusalem Film</td>
<td>Switzerland Representative Office</td>
<td>1/11/2006– 30/6/2007</td>
<td>$18,000</td>
</tr>
<tr>
<td>36. Distribution of plastic drinking water tanks in Beit Hanoun</td>
<td>APN Jordan</td>
<td>1/12/2006– 31/1/2007</td>
<td>$17,738</td>
</tr>
<tr>
<td>Project Title</td>
<td>Donor</td>
<td>Project duration</td>
<td>Project budget</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>43. Fish Farming project</td>
<td>APEFE</td>
<td>10/11/2005–10/11/2007</td>
<td>$311.948</td>
</tr>
<tr>
<td>44. Supporting small farmers in Palestine</td>
<td>Arab Fund for Economic and Social Development</td>
<td>1/12/2005–30/11/2007</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>48. Million Tree campaign</td>
<td>Welfare Association</td>
<td>30/11/2005–1/12/2006</td>
<td>$250,000</td>
</tr>
<tr>
<td>52. Improving food security at household level</td>
<td>ACDI– VOCA</td>
<td>1/10/2005–30/4/2006</td>
<td>$94857</td>
</tr>
<tr>
<td>54. OPIC Fund grant / Gaza</td>
<td>Arab Fund for Economic and Social Development</td>
<td>20/7/2005–1/8/2006</td>
<td>$49720</td>
</tr>
</tbody>
</table>
8. Conclusions and recommendations

8.1. Overall conclusion on implementation

The year 2006 was exceptional year for the palestinian. It has witnessed quite deep internal political changes; when the legislative elections led to success of the islamic movement. For the first time, since the establishment of the pna, fath became in the opposition and hamas who was always outside the palestinian liberation organization (plo) and in the opposition became in power. The political implication of this change has reflected itself on all socio-economic conditions of the palestinians and on the political relation of the palestinian authority with the whole world.

The israeli uni-lateral disengagement from gaza and parts of north west bank has turned gaza into a big jail and increased the movement difficulties of people and goods and imposed additional burden on palestinians and rendered the implementation of some most of the activities more difficult. The israeli repeated incursions in both gaza and west bank governorates have added more complications to an already complex situation.

In spite of all the difficulties that were met at the beginning of the year, parc was able to adapt itself to these difficulties and succeeded in ensuring additional funding to finance the main activities of its program. Parc was able to start new activities in the field of agribusiness both in the west bank and gaza.

8.2. Recommendations for the next year

The first recommendation for the next year is to keep monitoring the development of the political and socio-economical situation in the palestinian territories and try to set priorities for the second three years plan 2007-2009. An open eye should be kept to study the changes introduced on the funding channels for the palestinian territories.

Parc should review its plan and study the effect of the changes that parc has introduced to its management structure (merging of branches).

Parc should explore attentively the possibility of moving to clustering approach of development without ignoring the importance of having a deep understanding of the social profiles in the targeted villages in order to remain ready to intervene in the very changing and unstable environment.
9. 2006 Organizational Structure

General Assembly

Board of Directors

General Director

Planning, Monitoring, Evaluation & Development

Public & External Relations

Deputy General Director - WB

Deputy General Director - Gaza

Finance Dept.

Programmes & Projects Dept.

Capacity Building Dept.

Lobbying & Advocacy Dept.

Human Resource & Branches Dept.

Gaza Branch

North Branch

Central Branch

Hebron Branch

Bethlehem Branch
Independent auditors' report to the General Assembly of The Agricultural Development Association - PARC

We have audited the accompanying financial statements of the Agricultural Development Association – PARC which comprise the statement of position as of 31 December 2006 and statement of activities, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

Auditor’s responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agricultural Development Association - PARC as of 31 December 2006, and its financial activities, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Osama Daher - Partner
PricewaterhouseCoopers

July 16, 2007, Ramallah
# AGRICULTURAL DEVELOPMENT ASSOCIATION - PARC

**Financial statements for the year ended December 31, 2006**

## STATEMENTS OF FINANCIAL POSITION
(All amounts in U.S Dollars)

<table>
<thead>
<tr>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(3)</td>
<td>6,543,982</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>(4)</td>
<td>583,182</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(5)</td>
<td>542,530</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(6)</td>
<td>1,805,334</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>9,475,028</td>
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<tr>
<td>Non current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans receivable</td>
<td>(7)</td>
<td>1,780,269</td>
</tr>
<tr>
<td>Investment in associates, net</td>
<td>(8)</td>
<td>613,490</td>
</tr>
<tr>
<td>Investment property</td>
<td>(9)</td>
<td>676,664</td>
</tr>
<tr>
<td>Work in progress</td>
<td>(10)</td>
<td>719,646</td>
</tr>
<tr>
<td>Fixed assets, net</td>
<td>(11)</td>
<td>2,829,246</td>
</tr>
<tr>
<td><strong>Total non current assets</strong></td>
<td></td>
<td>6,619,315</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>16,094,343</td>
</tr>
</tbody>
</table>

## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to banks</td>
<td>(12)</td>
<td>4,314,365</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(13)</td>
<td>3,260,739</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(14)</td>
<td>114,685</td>
</tr>
<tr>
<td>Provident fund</td>
<td>(15)</td>
<td>509,978</td>
</tr>
<tr>
<td>Reserve for severance pay</td>
<td>(16)</td>
<td>945,323</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>9,145,090</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets</td>
<td>(17)</td>
<td>2,173,538</td>
</tr>
<tr>
<td>Temporary restricted net assets</td>
<td></td>
<td>4,775,715</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td></td>
<td>6,949,253</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td></td>
<td>16,094,343</td>
</tr>
</tbody>
</table>

- Notes to the financial statements form an integral part thereof.

Mr. Khaleel Shiha  
General Director

Dr. Ismail Daqiq  
Chairman of the Board
AGRICULTURAL DEVELOPMENT ASSOCIATION - PARC
Financial statements for the year ended December 31, 2006

STATMENTS OF ACTIVITIES
(All amounts in U.S Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in unrestricted net assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>(18)</td>
<td>3,024,976</td>
<td>2,537,808</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>21,006</td>
<td>57,256</td>
</tr>
<tr>
<td>Investment income</td>
<td>(8)</td>
<td>115,936</td>
<td>126,970</td>
</tr>
<tr>
<td>Other revenues</td>
<td></td>
<td>279,929</td>
<td></td>
</tr>
<tr>
<td>Gain on sale of Land</td>
<td></td>
<td>3,441,847</td>
<td>2,722,034</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>(17)</td>
<td>7,023,708</td>
<td>3,010,180</td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td>10,465,555</td>
<td>5,732,214</td>
</tr>
<tr>
<td>Expenditures by program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food security and sustainable agricultural development</td>
<td>(19)</td>
<td>8,143,433</td>
<td>2,894,572</td>
</tr>
<tr>
<td>Grassroots, syndic, and speculated rural community based organizations sustainability</td>
<td>(20)</td>
<td>1,215,894</td>
<td>1,097,042</td>
</tr>
<tr>
<td>National and social struggle</td>
<td>(21)</td>
<td>178,671</td>
<td>202,700</td>
</tr>
<tr>
<td>PARC's organizational sustainability</td>
<td>(22)</td>
<td>1,033,619</td>
<td>2,005,843</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
<td>10,571,617</td>
<td>6,200,157</td>
</tr>
</tbody>
</table>

- Decrease in unrestricted net assets | (106,062) | (467,943) |

Changes in temporarily restricted net assets

- Contributions made during the year | (17) | 9,592,200 | 3,909,888 |
- Net assets released from restrictions during the year | (17) | (7,023,708) | (3,010,180) |
- Returned to donors | | | |

Changes in temporarily restricted net assets | | 2,568,492 | 899,708 |

Changes in net assets | | 2,462,430 | 431,765 |
- Net assets, beginning of year | | 4,490,122 | 4,111,855 |
- Prior period adjustment | (23) | (3,299) | (53,498) |
- Net assets, end of year | | 6,949,253 | 4,490,122 |

- Notes to the financial statements form an integral part thereof.
11. Towards the Year 2007

The year 2006 is considered as one of the difficult years that The Palestinian People passed. In this year a lot of changes have occurred at the National level which reflected its self on the international community policies regarding the Palestinian people. These changes represented a great challenge to the Palestinian people and its active forces. PARC as one of these active actors in this society, driven by its long history of facing obstacles and strong well of administration and staff, had to do a lot to face these challenges and progress towards 2007 with clear agenda. This will and determination is no doubt derived from the resistance of our steadfast people.

PARC set its orientations for the year 2007 to continue playing National and societal roles corresponding to these challenges. In this context PARC will work in 2007 in the following frame:

1- Development of agribusiness and enlargement the base of cooperation with marketing companies and build the credits program.
2- Development of the organization programs that aims to develop the influence of the organization in the public issues.
3- Continue in developing the organization administratively. Preparation of internal environment in order to raise its implementation capacity, finish the merging process of southern branches and set a plan to develop it.
4- Continue in the establishment of the financial establishment and put more efforts to register it.
5- Setting the program document of the years (2008- 2010) which will focus increasing the organization’s influence in public issues in addition to work with rural sectors.
6- Set a long term programs fund raising plan and organize fund raising trip in the second half of the year 2007.
7- Development of building capacities department plan in participation with the partner organizations in a way that makes PARC intervention more effective to develop these organizations.
8- Enhance PARC and its competent authorities presence in the Media in clear developmental fashion.
9- Development of Alreef Company and enhance its role in marketing.
10- Build a development model based on Sustainable Livelihood Approach (SLA) and merge it with villages’ clusters.
11- Build partnership between PARC and Palestinian private organizations and companies to get benefit of the external funding that requires a local finance for part of the activities.

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