



HANDS ALONG THE NILE

—▲—
ANNUAL REPORT

Investing in Egypt's most valuable resource: its people

Dear Friends of HANDS:

When the Arab Spring spread to Egypt and beyond, there was widespread concern about regional stability. However, the change occurring in the Arab World's largest nation has not hindered our efforts to connect with ordinary Egyptians. In the past year, our investment in the skills of Egypt's marginalized populations has only deepened, and we are grateful to have you as partners in this critical work.

In the face of continued economic hardships in the region, we are expanding HANDS' efforts with a particular focus on women, youth, the disabled and the poorest of the poor, including Cairo's Zaballeen (garbage collectors). We do so with the belief that socioeconomic stability in Egypt depends on the ability to foster the skills and knowledge of these groups. In post-Revolution Egypt, HANDS' resources are concentrated in three areas:

- Job creation, focusing on microloans, entrepreneurship and job skills training;
- Health care for underserved Egyptians; and
- Capacity building to increase the ability of local non-profits to better secure their communities.

In this annual report, you will learn about several projects that HANDS and its American and Egyptian partner organizations engaged in during 2012. For instance, our Employment through Technology and Innovation program is helping to address a crisis of youth unemployment. Furthermore, our Young Entrepreneurs Program is giving Egyptian women and people with disabilities opportunities to emerge as economic leaders of their communities.

At this critical crossroads in the history of Egypt and the Middle East, HANDS' work is more important than ever before. Thank you for your continued support of the Egyptian people!

Sincerely,



Harry M. Goodall, Jr.
BOARD PRESIDENT



Jennifer A. Cate
EXECUTIVE DIRECTOR

HANDS

ALONG THE NILE

ANNUAL REPORT 2012

"Building bridges between Americans and Egyptians"



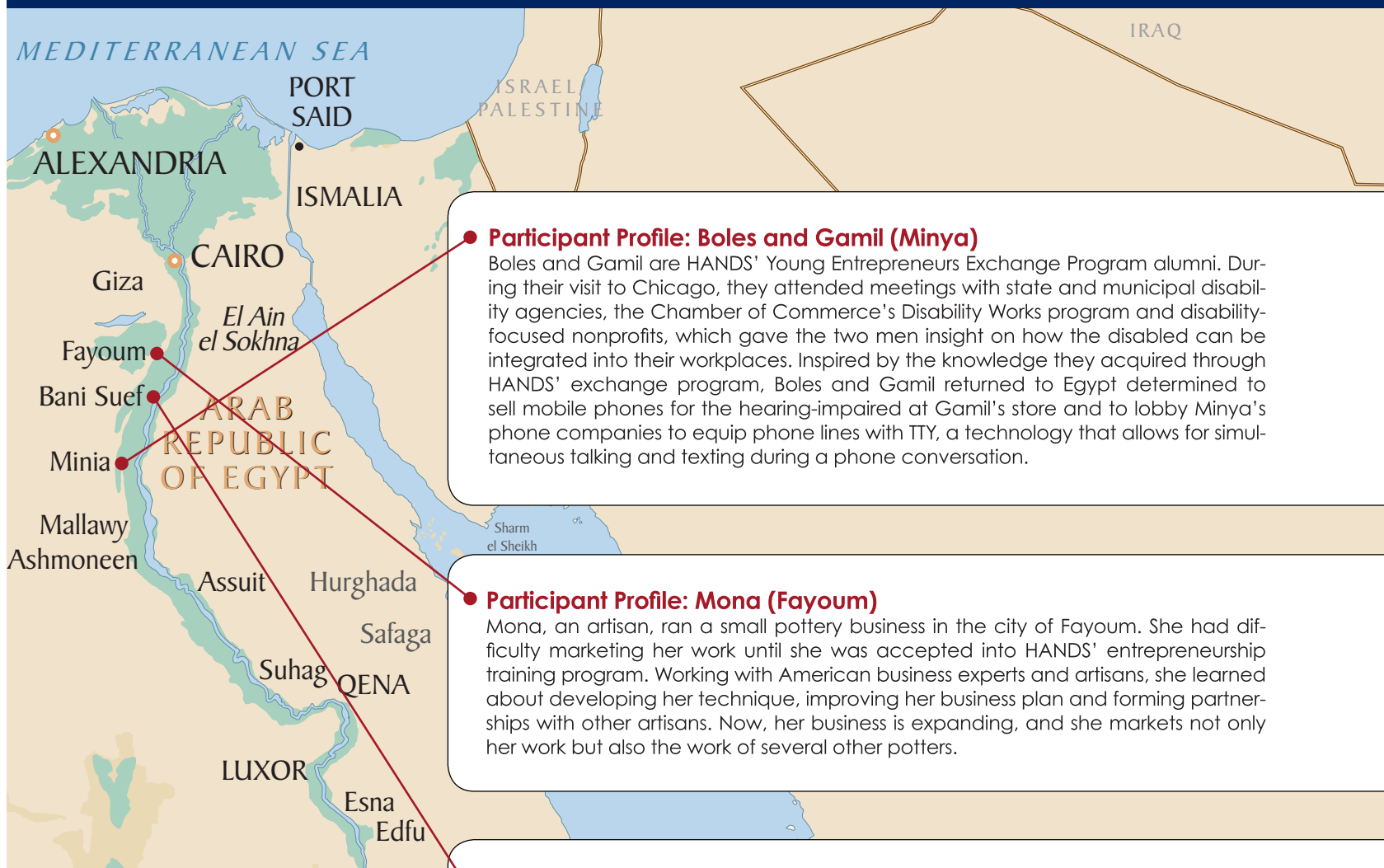
HANDS ALONG THE NILE DEVELOPMENT SERVICES, INC

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HANDS' VISION

In a country as large as Egypt, with a population of over 80 million and a poverty rate hovering around 40%, the task of a small organization such as HANDS to help spur economic development can seem daunting at times, but it is not one that we shy away from. As the largest Arab nation, Egypt is a role model for the region at large. It is in recognition of Egypt's regional leadership that we engage with the Egyptian people. By working with them to empower their communities, we hope to raise the quality of life for Egyptians and provide a model for similar success in other countries in the Middle East. Here are a few stories of what HANDS has done to assist in this process.



Participant Profile: Boles and Gamil (Minya)

Boles and Gamil are HANDS' Young Entrepreneurs Exchange Program alumni. During their visit to Chicago, they attended meetings with state and municipal disability agencies, the Chamber of Commerce's Disability Works program and disability-focused nonprofits, which gave the two men insight on how the disabled can be integrated into their workplaces. Inspired by the knowledge they acquired through HANDS' exchange program, Boles and Gamil returned to Egypt determined to sell mobile phones for the hearing-impaired at Gamil's store and to lobby Minya's phone companies to equip phone lines with TTY, a technology that allows for simultaneous talking and texting during a phone conversation.

Participant Profile: Mona (Fayoum)

Mona, an artisan, ran a small pottery business in the city of Fayoum. She had difficulty marketing her work until she was accepted into HANDS' entrepreneurship training program. Working with American business experts and artisans, she learned about developing her technique, improving her business plan and forming partnerships with other artisans. Now, her business is expanding, and she markets not only her work but also the work of several other potters.

Participant Profile: Sara (Beni Suef)

Sara, like many other young Egyptian adults with a university degree, found herself sitting at home, unable to find a job. Unwilling to let a sluggish economy keep her from contributing to society, she did volunteer work in her community while looking for employment. Finally, six years later, she joined a HANDS-sponsored program, where she learned about managing group discussions, presentation skills and communication skills. Afterwards, she successfully applied for a job as a trainer in the program. Now responsible for training other program participants, Sara is imbued with self-confidence and foresees a much brighter future for herself!

PROGRAM PROFILE: THE YOUNG ENTREPRENEURS EXCHANGE PROGRAM



A YEP graduate



Female artisans and disabled business owners at a training session in Cairo

HANDS' Young Entrepreneurs Exchange Program (YEP) gives young disabled business owners and female artisans in Egypt opportunities for networking and business training. We focus on these populations because the two groups are among the most economically disadvantaged in Egypt. Ninety percent of Egypt's disabled community, which comprises a surprising 10% of the population, is unemployed. Similarly, only 23% of Egyptian women ever find employment.



Through a grant from the US Department of State and the support of HANDS' generous donors, YEP has provided business training to over 80 young Egyptians from both entrepreneurial and nonprofit backgrounds. In three stages – starting with two educational exchanges to Chicago and Washington, DC and ending with a training program in Egypt – YEP participants have learned how to build an online presence, immersed themselves in new financial management concepts and acquired skills for building strong business plans. They have also established relationships with American counterparts with whom they continue to consult. Using their new skills to increase the profitability and effectiveness of their businesses and organizations, YEP alumni are also helping others overcome barriers to meaningful employment faced by women and the physically disabled in Egypt.



Participant Profile: Hanaa (Cairo)

Hanaa, founder of Lotus for Leather products, is expanding her business with the help of her experience in HANDS' Young Entrepreneurs Exchange Program (YEP). Before enrolling in YEP, Hanaa sold handicrafts, but her profits were meager and her business suffered in the months after the Revolution. Through this HANDS program, Hanaa learned the importance of marketing to her customers. She created a logo and a website for her products along with a "Made in Egypt" label to ensure their authenticity. Thanks to the one-on-one support she received from American trainers during YEP, Hanaa is more confident in the future of her business.

PROGRAM PROFILE: EMPLOYMENT THROUGH TECHNOLOGY & INNOVATION

Entrepreneurship and information technology are two powerful forces in Egyptian society. Information technology helped drive Egypt's 2011 Revolution, and starting one's own business is viewed favorably by an overwhelming majority of Egyptians. Employment through Technology and Innovation (ETI) aims to join these two forces to address Egypt's youth unemployment crisis, in which 700,000 college graduates compete annually for only 200,000 jobs. With job opportunities so limited, starting one's own business is increasingly one of the few alternatives to finding employment.



An ETI training session

In partnership with One Global Economy (OGE) and the Coptic Evangelical Organization for Social Services (CEOSS), HANDS has begun to implement a two-year program to increase employment in ten marginalized communities in Cairo and in the Upper Egyptian governorates of Minya and Beni Suef. Through ETI, HANDS and our partners are training youth in computer software and digital media as well as allowing employers and job seekers to connect to each other via the internet and mobile phones. Beneficiaries of the project can use ten computer centers and a text message-based system of job opportunity notifications.



One of the main features of ETI is the online Beehive, which can help people start their own businesses. This tool provides information relevant to job opportunities, microfinance, entrepreneurship and job growth. It even employs ETI alumni for site management and training programs. ETI is funded by USAID.

Participant Profile: Hamed (Cairo)

Hamed worked in the cell phone industry and operated his own mobile phone shop. However, post-Revolution damage sustained by his shop forced him to close it down. Jobless, he applied to and was accepted into HANDS' Employment through Technology and Innovation program. Through this program, he found a job in his field of expertise. After receiving one week of training in cell phone maintenance, Hamed was matched with a job that pays a good salary and offers bonuses.



“We are proud to be engaged in this partnership that brings hope to Egyptian youth... By combining our assets, experience and creativity, we can accelerate inclusive growth to help achieve Egypt’s social and economic goals.”

—Anne Patterson, US Ambassador to Egypt, at the ceremonial opening of an ETI center in Cairo, January 17, 2013

PROGRAMS AND PARTNERSHIPS

In addition to the three programs highlighted in this report, HANDS was involved with many other initiatives in 2012, including the following:

PROFESSIONAL FELLOWS EXCHANGE PROGRAM BETWEEN EGYPT, TUNISIA AND THE U.S.

In 2012, HANDS embarked on a two-year-long Professional Legislative Fellows Program (PFP), which will connect professionals from the United States, Egypt and Tunisia working on the inclusion of women and disabled people in society. Participants are undertaking fellowships with governmental offices and advocacy groups as well as engaging in networking and cross-cultural exchange. PFP is funded by the US Department of State and HANDS' donors.

VILLAGE OF HOPE

The Village of Hope is a much-needed refuge for mentally-challenged youth in northern Egypt. The center provides medical and psychological services, along with vocational training programs to allow young adults to sustain an active role in society. It also advocates for policies to protect the rights of mentally-challenged Egyptians.



Students at Fairhaven School

FAIRHAVEN SCHOOL

Fairhaven School educates children sidelined from society by a mental or physical handicap. The special education institution provides 185 students with job-skills training, speech therapy and physical exercises. In addition, the school provides activities to promote positive behavior, strong academic performance and independence for its students.

CENTER FOR HOPE AND A CURE

The Center for Hope and a Cure provides low-cost medical care to over 10,000 underserved Alexandrians annually. Among other services, the center offers dental and eye care at little to no cost to the poor. The center also stands out as one of the few Egyptian hospitals to cater to Sudanese refugees.

HORUS HOSPITAL

Many of the three million Egyptians suffering from eye diseases do not have the opportunity to undergo blindness-prevention surgery. However, many are able to do so now at Horus Hospital, which provides eye care to 30,000 people annually in Minya and the surrounding region. With funds from USAID's American Schools and Hospitals Abroad, the regional hospital, operated by HANDS' partner CEOSS, now has a renovated building, advanced equipment and three mobile clinics to reach out to patients in 100 villages surrounding the city.



New equipment at Horus Hospital

ASSOCIATION FOR THE PROTECTION OF THE ENVIRONMENT

APE provides the women and girls of Manshayet Naser, one of Cairo's garbage-collecting (Zaballeen) communities, the chance to receive an education and generate income through means other than collecting and sorting the city's trash. Volunteers at APE teach the girls to read and also train them in paper recycling, quilting or weaving. Their handicrafts are sold across the U.S. by HANDS' volunteers, raising funds to sustain the school.

PROGRAMS AND PARTNERSHIPS



Volunteer with an Egyptian student

SPirit OF YOUTH

Zaballeen (garbage-collecting) children often leave school to help their families manually sort through the large percent of Cairo's garbage that ends up in their community. Spirit of Youth helps young boys from these communities to break this cycle of poverty with literacy, math and computer classes. Some students pass an exam and reenter the regular education system.

VOLUNTEER PROGRAMS

HANDS thanks the individuals who in the past year have donated their time to our efforts. At HANDS' "Crafts of Cairo" sales, volunteers sell handicrafts made by young Egyptian artisans. Americans have also travelled to Egypt to help at the Spirit of Youth Association and at a Zaballeen orphanage, among other initiatives. The technical expertise provided by our volunteers has proved invaluable to the work of our partners in Egypt.

LAPTOPS FOR ZABALLEEN KIDS

HANDS has brought together the technical expertise of the Columbus School for Girls in Ohio and two schools in the Zaballeen community of Cairo to improve Zaballeen children's access to quality education, including computer skills. HANDS and our partners in this initiative have been working to collect 100 laptops to send to children in Cairo's garbage-collecting communities.

2012 ESSAY CONTEST

In 2012, HANDS sponsored an essay contest for American graduate and undergraduate students, challenging them to identify the social and political lessons that can be learned from Egypt's recent revolution. Among the competitive pool of essays, entrants discussed topics from the military's influence on the Egyptian economy to the power of music to unify people. The goal of the competition was for American students to broaden their perspectives on Egyptian history, culture and current events.



Columbia University Insight Trip participants

INSIGHT TRIPS

HANDS' spring 2012 Insight Trip took a group of Columbia University students for a glimpse of Egypt beyond the trappings of tourism. Participants ate with local Egyptians while discussing with them the change brought to Egypt by the Revolution, volunteered in a Zaballeen orphanage and visited with local development organizations supported by HANDS, while also taking time to explore the cultural wonders of both ancient and modern Egypt.

PROGRAM PROFILE: ZABALLEEN LIVELIHOODS



The Zaballeen of Cairo's "Garbage Cities" undoubtedly work hard. They collect, sort and recycle up to 90% of the city's trash, doing most of the work manually. However, the garbage collectors are not rewarded for their toils, having to sacrifice a proper education and sanitary working conditions for work that pays meagerly and traps these families in lifelong poverty.

BILL & MELINDA GATES foundation

is helping to increase the capabilities of Zaballeen communities to organize and compete for contracts with the city government. The Egyptian government, the governorates of Cairo and Giza, Egyptian political parties, members of the Egyptian parliament and NGOs are working with the project to help the Zaballeen earn a living wage and live a more dignified life.

With the support of the Bill & Melinda Gates Foundation, HANDS is partnering with the Spirit of Youth Association to integrate the Zaballeen into Cairo's official waste collection system. A five-year grant from the Gates Foundation



The Zaballeen of Cairo live their daily lives in the midst of the garbage they collect and recycle. As part of this program, a team of youth (pictured above) are conducting city-wide awareness campaigns to promote recycling practices among Cairo's residents.

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION^(a)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	196,197
Investments	1,307
Grants receivable	1,309,932
Accounts receivable - other	1,082
Prepaid expenses	5,493
Total current assets	<u>1,514,011</u>
PROPERTY AND EQUIPMENT	
Furniture and fixtures	3,142
Computer equipment	6,862
Total	10,004
Less: accumulated depreciation	<u>7,353</u>
Property and equipment, net	<u>2,651</u>
OTHER ASSETS	
Grants receivable, net of current portion	-
Security deposits	1,455
Total other assets	<u>1,455</u>
TOTAL ASSETS	\$1,518,117
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Grants in Transit to Egypt	59,581
Accounts payable & accrued expenses	19,746
Total current liabilities	79,327
NET ASSETS	
Unrestricted	(145,644)
Temporarily restricted	1,584,434
Total net assets	<u>1,438,790</u>
Total Liabilities & Net Assets	1,518,117

STATEMENT OF ACTIVITIES^(a)

	UNRESTRICTED	TEMPORARILY RESTRICTED ^(b)	TOTAL
SUPPORT AND REVENUE			
Contributions	152,377	111,977	264,354
Interest and investment income	46	-	46
Program fees	13,223	-	13,223
Realized and Unrealized gain (loss) on investments	93	-	93
Sales income	18,134	-	18,134
Miscellaneous income	604	-	604
Net assets released from restrictions	<u>768,388</u>	<u>(768,388)</u>	-
Total unrestricted support and reclassifications	952,865	(656,411)	296,454
EXPENSES			
Program services:			
Grants released from restrictions	771,663	-	771,663
Other program services	152,116	-	152,116
Supporting services:			
Management and general	54,331	-	54,331
Fundraising	<u>44,185</u>	-	<u>44,185</u>
Net expenses	<u>1,022,295</u>	-	<u>1,022,295</u>
Change in net assets	(69,430)	(656,411)	(725,841)
Net assets, October 1, 2011	(76,214)	2,240,845	2,164,631
Net assets, September 30, 2012	<u>(145,644)</u>	<u>1,584,434</u>	<u>1,438,790</u>

SELECTED STATISTICS, 2012

Percentage of most designated gifts sent directly to projects in Egypt:

95%

Percentage of HANDS Board of Directors who contribute to HANDS:

100%

Percentage of expenses used for administration and fundraising (which should be under 25%, according to United Way guidelines):

10%

^(a) For the year ended September 30, 2012.

All figures are audited. The complete audited financial statements are available upon request.

^(b) Restricted donations used for purposes designated.

The programs highlighted in this report were made possible by the generous donations of organizations and individuals throughout the United States, including the following:

CHEOPS CLUB

(\$10,000 and over)

Organizations:

Alternative Gifts International
Bill & Melinda Gates Foundation
US Department of State Bureau
of Educational and Cultural Affairs
US Agency for International
Development
The Walbridge Fund



**BILL & MELINDA
GATES foundation**



Individuals:

Sherif and Susan Awadalla
Ken and Aida Cass
Hany Girgis
Makram and Hetty Girgis
Felix and Fouzia El Daief
Karim Shalaby
Alan and Katherine Stroock Fund
Moenes E. Youannis
and Nahla M. Salib

GOLD CARTOUCHE CIRCLE

(\$5,000-\$9,999)

Organizations:

Bryn Mawr Presbyterian Church (PA)
International Ministries,
American Baptist Church
First Presbyterian Church
(Lake Forest, IL)



Individuals:

Peter and Birgit Altmann
Roger and Whitney Bagnall
Adel and Ghada Bassali
Nimet Habachy

Shafika, Samiha, Djenan
and Shaker Khayatt
Naim and Ferial Kheir
Karen and Michael Souryal

SILVER SCARAB SOCIETY

(\$1,000-\$4,999)

Organizations:

Christ Church Detroit
(Detroit, MI)
First Baptist Church
(Haddonfield, NJ)
Share-Capital Foundation
Tomoka Christian Church
(Ormond Beach, FL)
Webster Presbyterian Church
(Webster, NY)
Westminster Presbyterian Church
(West Chester, Pa)
Women's Association of the Fifth
Avenue Presbyterian Church
(New York, NY)



Individuals:

Shereen Abdel-Meguid
Rita Arlen
Philip and Isis Ayoub
Graeme and Polly Bannerman
Jack and Ella Banton
Sarah Billingham
Jim Copeland and Debbie McFarland
Patrick and Elizabeth Crossman
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Ivonne Souryal
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PAPYRUS CLUB

(\$500-\$999)

Organizations:

Bristol-Myers Squibb Foundation
Calvin Presbyterian Church
(Ellwood City, PA)
First Presbyterian Church
(Wooster, OH)



Individuals:

Jennifer Cate and Scott Davis
Hope Childs
Anna and Peter Davol
Louis and Samia Elias
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Sara Norman
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Marcos and Emily Shehata
Gordon and Betty Shull
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Christine Choi
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Alfonso Wright
Accountant

HANDS is also indebted to the many volunteers and interns who share their time and skills to benefit the people of Egypt.

HANDS is passionately committed to investing in the skills and education of Egyptian youth, like these children attending a life-skills training class in a village in Upper Egypt.



Hands Along the Nile is a US-based, not for profit organization, granted charity status in accordance with Section 501(c)(3) of the Internal Revenue Code. Contributions are tax-deductible to the fullest extent allowed by U.S. law.

HANDS ALONG THE NILE

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