



HANDS

ALONG THE NILE

—▲—
2006 ANNUAL REPORT

Dear Friends of HANDS,

Celebrate with us the strength of HANDS at the end of 2006! Whether you have been active with us from our inception almost 20 years ago or have joined more recently, you have played a part in building this organization that is drawing Americans and Egyptians together across the cultural barriers. We could not be where we are today without you!

With each year, HANDS' team is growing stronger. Our Board of Directors is fully invested in the work of HANDS: guiding our strategic planning, locating new grant opportunities, building connections in communities around the US, and contributing 12% of HANDS income. We also have an active Advisory Council that is introducing us to new partners and opportunities. They have helped us launch our Medical Mission to Egypt, connect with new investors, find audiences for our educational events, and improve our publications.

Because so many of you have expressed an interest in being more actively involved with us, we're beginning to organize local volunteer chapters of HANDS throughout the U.S. We know this will ignite the involvement of our supporters across the country.

Working with this impressive team of individuals, including you, we look forward to expanding HANDS' capacity into the future. We will be broadening our work in intercultural exchange and dialogue. Our Egyptian-American Dialogue is already spreading to new cities in the US. We are also establishing more informal "Dialogue Dinners" between Americans and Middle Easterners living in the US, an idea that emerged from participants in our current exchange programs. The frequency of our Insight Trips and the number of educational events we offer for Americans are also on the rise.

In addition, HANDS continues to deepen our involvement with community development efforts in Egypt. With our partners there, we will soon begin a new "Village Partnership" with another developing community in the Cairo area. Construction of our Community Eye Care Center in Upper Egypt is also well underway; we look forward to opening the doors to patients this winter.

"Mabrouk" (congratulations) on the many accomplishments you have already helped us to achieve. Thanks to the encouragement of the HANDS family around the country, we look forward to expanding our impact in the coming year. We invite you to play a part in our continued growth!



Robert Jay Ludwig
Board President

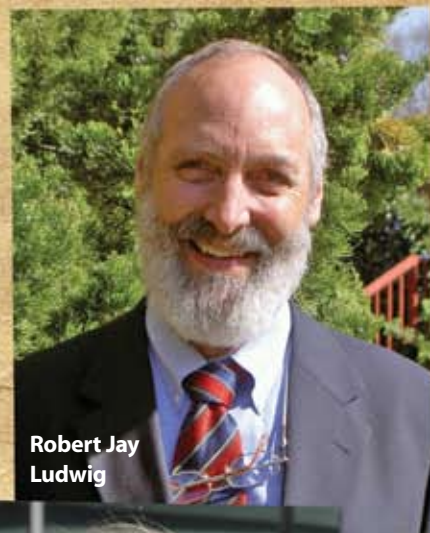


Jennifer A. Cate
Executive Director



Above: HANDS' Board of Directors meeting in Chautauqua, NY, July 2006

Front cover: HANDS' Insight Trip members tour an old home in Cairo



Robert Jay Ludwig



Jennifer A. Cate

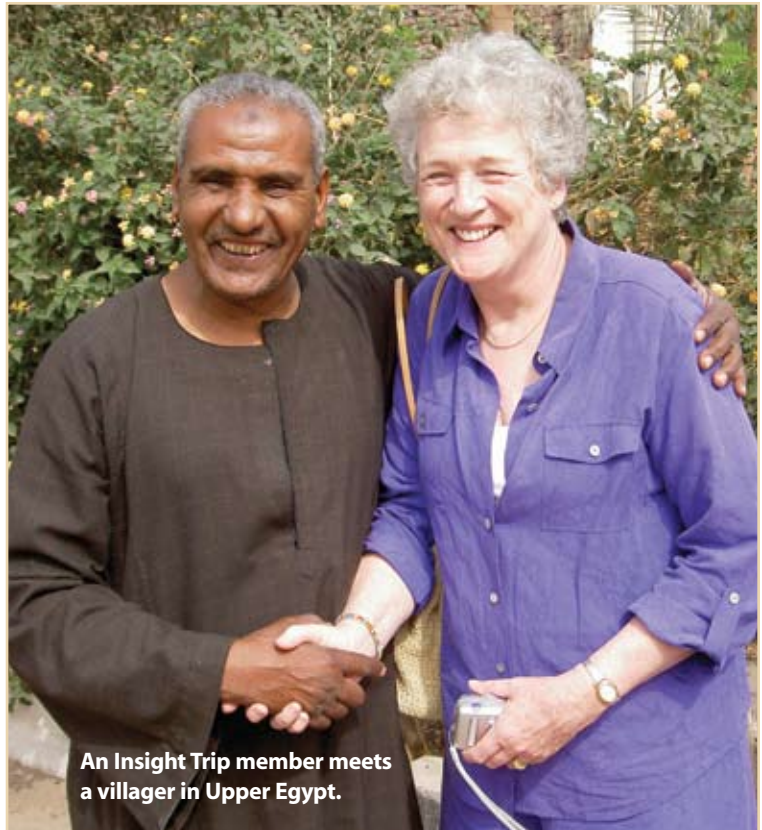
BELIEVING THAT INTERCULTURAL CONFLICT CAN OFTEN BE MITIGATED through person-to-person relationships, HANDS builds bridges between peoples of the US and the Middle East, with a particular focus on Egypt. Programs aimed at improving this understanding between the two regions include Insight Trips, the Egyptian-American Dialogue, volunteer opportunities, the Medical Mission, educational events, the Pyramids for Peace art exhibit, and our benefit handicraft sales.

INSIGHT TRIPS

HANDS organizes “Insight Trips” to Egypt at least twice per year. These trips give Americans the opportunity to explore ancient Egypt: cruising the Nile between Aswan and Luxor, climbing Mt. Sinai, riding camels around the Great Pyramids, climbing the minaret of a centuries-old mosque, and visiting churches built where the Holy Family stayed. In addition to discovering the rich history, our visitors also meet the people of modern Egypt. We share meals with Egyptian families, visit the communities where HANDS is working, and form long-lasting friendships between Americans and Egyptians.

We found the visit to Egypt one of incredible joy providing an experience that was spiritually, intellectually, and culturally rewarding.

—Dr. Rita and Forrest Sellers,
Philadelphia (below)



An Insight Trip member meets a villager in Upper Egypt.



An Insight Trip group visits a microcredit loan recipient at her new storefront.

DIALOGUE

In light of friction between the governments and, increasingly, the peoples of the Middle East and the West, HANDS' Egyptian-American Dialogue provides a space for community leaders and opinion-shapers from the two countries to explore areas of tension and of commonality. Long term goals include building relationships of trust and correcting misconceptions between the two countries.

The February 2006 exchange, held in Washington DC, involved 30 participants from the US and Egypt, including religious leaders, journalists, academics, and civil society leaders. These delegates returned to their communities eager to share fresh perspectives on the other culture through sermons, newspaper articles, and joint projects.

As I have talked about the dialogue experience with my church and with community groups in our area, they have been encouraged to hear about the progress we have made in developing honest, open, trusting relationships with Egyptians while discussing difficult topics. People need to hear this hopeful message, and the world needs such positive efforts.

—Rev. Scott Hill,
Corydon Presbyterian
Church, IN (at right)



Egyptian and American leaders share thoughts on Middle East peace in Alexandria, Egypt.



Below: American delegates meet with members of an interfaith dialogue initiative in Cairo. Learning from the Egyptian experience in bridging internal divides has proved valuable to the American delegation.

MEDICAL MISSION

In our efforts to link Americans and Egyptians, HANDS arranges opportunities for Americans to volunteer in Egypt. The Medical Mission was started with a goal of establishing professional linkages and knowledge-sharing between the medical communities in Egypt and the US. Through this program, HANDS brings American medical professionals to Egypt both to offer training for local doctors and nurses as well as to treat cases alongside Egyptian health care providers.



An American volunteer doctor visits the maternity ward at Tanta American Hospital, a HANDS partner.

EDUCATIONAL EVENTS

HANDS also promotes better understanding of the Middle East through educational events including museum tours, lectures, and our "Pyramids for Peace" art exhibit. In 2006, HANDS held over 30 such events in communities from Fort Wayne, IN to Boston, MA.

CRAFT SALES

Our "Crafts of Cairo" benefit sales bring a touch of Egypt to holiday bazaars across the U.S. Made by young women at a job-skills training center in Egypt, which is detailed more on page 8, these crafts are made of recycled scraps of material and paper donated by local factories. The artisans are fairly paid for their work and receive literacy training and healthcare at the center. Many Americans frequent these sales year after year, purchasing gifts that have allowed them to touch the lives of young women in Egypt. In 2006, HANDS raised over \$36,000 through these events to sustain the job-skills training center.



A volunteer hangs baby quilts for display at a craft sale.

DEVELOPMENT PROGRAMS IN EGYPT

VILLAGE PARTNERSHIPS THROUGH CEOS

- **ASHMONEEN**, a village in Upper Egypt
- **ESTABLE ANTAR**, a squatter community in Cairo

HEALTH CARE

- **COMMUNITY EYE CARE CENTER**, Minia
- **CENTER FOR GERIATRIC SERVICES**, Cairo
- **CENTER FOR HOPE AND A CURE**, Alexandria
- **CAIRO EVANGELICAL MEDICAL CENTER**
- **THE AMERICAN HOSPITAL OF TANTA**
- **GREEN PASTURES SOCIETY MEDICAL CENTER**, outside Cairo

SOCIAL SERVICES

- **ASSOCIATION FOR THE PROTECTION OF THE ENVIRONMENT (APE)**, women's literacy and job skills training center, Cairo
- **THINK AND DO**, micro credit loan program
- **LILLIAN TRASHER ORPHANAGE**, Assiut
- **FAIRHAVEN SCHOOL FOR THE HANDICAPPED**, Alexandria
- **SHARABEYIA CLINIC AND DAYCARE CENTER**, Cairo
- **FAGGALA COMMUNITY OUTREACH**
- **VILLAGE OF HOPE CENTER FOR THE MENTALLY CHALLENGED**, Alexandria

RETREAT/CONFERENCE CENTERS

- **BEIT EL SALAM**
- **NEW MINIA DEVELOPMENT PROJECT**
- **BEIT EL WADI**
- **EL KHASHA'A CAMP**

DONOR-DESIGNATED CAPITAL CAMPAIGNS

- **HELIOPOLIS**, Cairo
- **MINIA SECOND PRESBYTERIAN**
- **ABUTIG**
- **FOURTH PRESBYTERIAN OF EL EKSAS**
- **ROD EL FARAG PRESBYTERIAN**
- **MINIA THIRD PRESBYTERIAN**
- **HERZ PRESBYTERIAN**
- **NAZLET EL ABEED**, Minia
- **ATTARINE PRESBYTERIAN**, Alexandria
- **ROD EL FARAG PRESBYTERIAN**, Cairo

CHRISTIAN LEADERSHIP DEVELOPMENT

- **EVANGELICAL THEOLOGICAL SEMINARY IN CAIRO**
- **SYNOD OF THE NILE HIGH SCHOOL YOUTH**



HANDS ALSO BUILDS BRIDGES between the West and Middle East by partnering Americans with local organizations in Egypt that are bringing socioeconomic stability to communities there. Improving the quality of life in underserved communities involves addressing numerous needs including healthcare, education, job opportunities, and business development.

HANDS seeks to empower local communities to set their own vision and take leadership of the development activities. In addition to providing funding and oversight for these programs, HANDS and her partners offer the leaders of the communities training in such areas as project management, democratic decision-making, fundraising, and volunteer mobilization.

HANDS partners gather for a day of training in Cairo.



PROJECT FOCUS:

Micro credit loan programs

The awarding of the 2006 Nobel Peace Prize to Muhammad Yunus of the Grameen Bank has brought to the world's attention the concept of micro credit loans. These are small loans extended to hopeful entrepreneurs too poor to receive a bank loan so that they can start a small business. A high percentage of these loans are given to women because of the degree to which their business ventures impact entire families and the need to help elevate women's status in these communities.

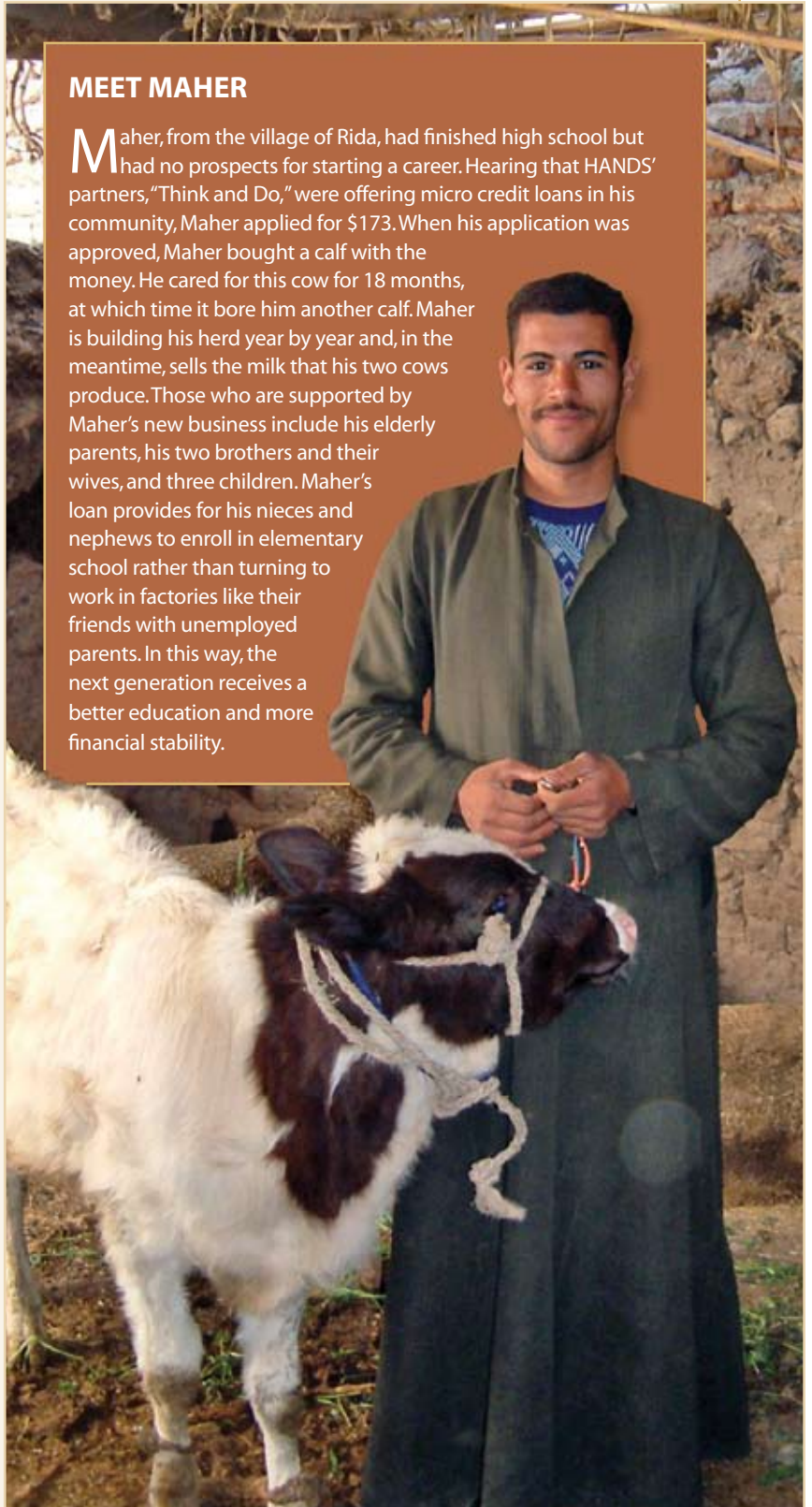
HANDS partners with two organizations in Egypt, CEOSS and Think and Do, which have established micro credit programs in needy communities. After training in financial management and business plan development, applicants submit a proposed business plan showing how they would use the requested money to start a small sustainable business. The repayment rate for both HANDS partners is between 98 and 99 percent. The majority of those receiving loans are women.

HANDS supports micro credit loan programs which are incorporated as part of holistic community development efforts. For example, in areas where children often drop out of school to work in factories, parents are awarded loans to start businesses, while their children are reenrolled in school. Also, in rural villages, farmers are more motivated to adopt more sustainable agricultural practices, such as crop rotation or new breeds of livestock, if they also receive loans to help with the cost of making these improvements.

As recipients repay their loans with a small amount of interest, the growing fund is available for other community members ready to start small business ventures. This leads to the sustainability of micro credit programs that HANDS supports.

MEET MAHER

Ma^Maher, from the village of Rida, had finished high school but had no prospects for starting a career. Hearing that HANDS' partners, "Think and Do," were offering micro credit loans in his community, Maher applied for \$173. When his application was approved, Maher bought a calf with the money. He cared for this cow for 18 months, at which time it bore him another calf. Maher is building his herd year by year and, in the meantime, sells the milk that his two cows produce. Those who are supported by Maher's new business include his elderly parents, his two brothers and their wives, and three children. Maher's loan provides for his nieces and nephews to enroll in elementary school rather than turning to work in factories like their friends with unemployed parents. In this way, the next generation receives a better education and more financial stability.



PROJECT FOCUS:

Women's job-skills training program

Early every morning, the garbage collectors of Cairo leave home in rickety donkey carts and pick-up trucks, dispersing on their individual routes across the city to collect the day's trash. Men and children spend the day hauling bags of garbage from apartment landings down to their carts. By afternoon, the donkeys drag their heavily laden carts back home, where the contents are dumped on the floor of families' huts and the mothers and daughters begin the process of sorting the garbage. Plastics, aluminum cans, and paper are bundled for recycling, which brings the family some income, while food scraps are fed to their animals. Through this recycling business, these families make a living off Cairo's garbage.

Girls are especially affected by this lifestyle. They often drop out of school early to help with the garbage business and, without an education or marketable skills, become part of the cycle of poverty.

One of HANDS partners, the "Association for the Protection of the Environment (APE)," is located at the top of the Mukattam Hills in the midst of one of Cairo's "Garbage Cities." An oasis in a neighborhood whose streets are lined with bags of trash, APE helps the daughters of garbage collectors learn to read and write in Arabic and to have a marketable skill. Each girl who comes for training chooses between quilting, weaving, or paper-making. Already skilled at sorting and recycling, the young women receive clean scraps of fabric and paper from factories, which they sort by color and distribute to different women for their projects. The girls are then fairly paid for each rug, bag, quilt, or greeting card that they make. In addition to learning to make these handicrafts, they are encouraged to finish their education and provided with medical care for themselves and their families.

HANDS sells these crafts at our "Crafts of Cairo" sales each year around the U.S., sending the proceeds back to the artisans. This allows the center to train new girls, buy more looms for the girls to use at home, and expand their impact in the garbage collectors' community.

HANDS is proud of our partnership with this training program for young women. In addition to learning a marketable skill, these girls are rewriting their futures. Instead of remaining illiterate, marrying young, and living in poverty, these women walk through life with some financial independence, professional experience, and a voice in their marriages, families, and communities.



MEET IKHLASS

Ikhlass William entered a HANDS-supported job-skills training program as a teenage girl from an underserved community of garbage collectors. She emerged, a few years later, as a business executive.

Through a HANDS partner, the Association for the Protection of the Environment (APE), Ikhlass learned a marketable skill: recycling paper into beautiful products—gift bags, greeting cards, and notepads. In a community in which many girls marry as young teenagers and drop out of school, Ikhlass was encouraged by her teachers at APE to complete her education. Not only did she finish high school; she also earned a diploma in business. This remarkable young woman has returned to APE as an executive in the paper-recycling department. She is responsible for handling orders, dealing with distributors, budgeting, and marketing products to clients.

The mentoring she received at APE has also affected Ikhlass personally. "I learned how to depend on myself," she says. "I became more confident. I now share in family opinions as well as making my own personal decisions."

One example of Ikhlass' new-found independence is her attitude towards marriage. Fighting the pressure she faces from her family and community, she does not believe that she has to marry and has already refused several suitors whom her family liked. She says that, despite the tradition in her community, she will only marry when she meets the right man—even if that means marrying late or not at all.

Ikhlass is one of hundreds of young Egyptian women who have been empowered by the programs supported by HANDS donors.

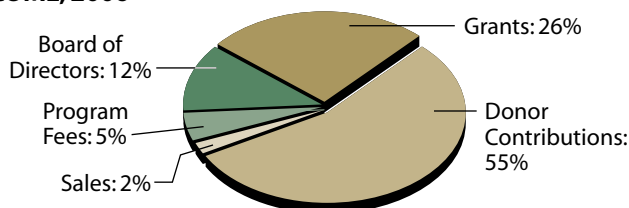
STATEMENT OF FINANCIAL POSITION^(a)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$45,268
Investments	1,126
Accounts receivable—other	-
Grants receivable	125,000
Promises to give	12,400
Prepaid expenses	<u>33,858</u>
Total current assets	217,652
PROPERTY AND EQUIPMENT	
Furniture and fixtures	2,552
Computer equipment	<u>6,060</u>
Total	8,612
Less: accumulated depreciation	<u>5,113</u>
Property and equipment, net	3,499
OTHER ASSETS:	
Security deposits	1,455
Promises to give, net of current portion	<u>2,000</u>
Total other assets	3,455
Total Assets	\$224,606
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Grants in Transit to Egypt	\$51,303
Accounts payable & accrued expenses	<u>18,479</u>
Deferred income	<u>23,488</u>
Total current liabilities	93,270
NET ASSETS	
Unrestricted—AS RESTATED	<u>6,336</u>
Temporarily restricted	125,000
Total net assets	131,336
Total Liabilities and Net Assets	\$224,606

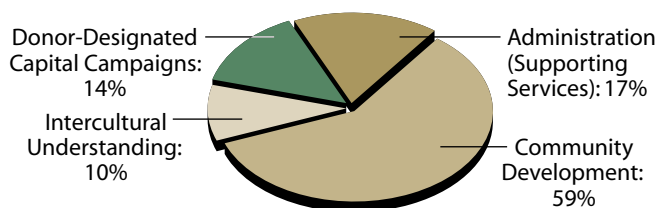
STATEMENT OF ACTIVITIES^(a)

	UNRESTRICTED	TEMPORARILY RESTRICTED ^(b)	TOTAL
SUPPORT AND REVENUE			
Contributions	\$ \$162,816	\$ \$358,310	\$512,126
Interest and investment income	22	-	22
Program fees	35,882	-	35,882
Realized and Unrealized gain (loss) on investments	55	-	55
Sales income	13,006	-	13,882
Net assets released from restrictions	333,310	(333,310)	-
Total unrestricted support and reclassifications	545,091	25,000	570,091
EXPENSES			
Program services			
Grants released from restrictions	384,638	-	384,638
Other program services	78,147	-	78,147
Supporting services			
Management and general	57,502	-	57,502
Fundraising	37,814	-	37,814
Net expenses	558,101	-	558,101
Change in net assets	(13,010)	25,000	11,990
Net assets, beginning of year	19,346	100,000	119,346
Net assets, end of year	\$6,336	\$125,000	\$131,336

INCOME, 2006



EXPENSES, 2006



^(a) For the year ended September 30, 2006. All figures are audited. The complete audited financial statements are available upon request.

^(b) Restricted donations used for purposes designated.

SUPPORT

Thank you to all the individuals and institutions, including those listed below, who touched the lives of thousands of Egyptians in 2006 through HANDS' programs.

CHEOPS CLUB

(\$10,000 and over)

Sabry and Samira Awadalla
Adel and Ghada Bassali
Bryn Mawr Presbyterian Church
Jim Copeland and Debbie McFarland
Felix and Fouzia El Daief
Hany Girgis
Suzan Habachy
Greta Hanna
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Shaker and Edith Khayatt
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Momtaz and Mona Wahba

GOLD CARTOUCHE CIRCLE

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

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Flora Family Foundation
Makram and Hetty Girgis
Latif and Matilda Gowani
Robert and Susan Laubach
Robert Ludwig
Emad Ramzy
Michael and Karen Souryal

SILVER SCARAB SOCIETY

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

Anonymous (2)
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First Presbyterian Church (Fort Wayne, IN)
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Westminster Presbyterian Church (West Chester, PA)

PAPYRUS CLUB

(\$500-\$999)

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Sami and Violette Salib
Dr. and Mrs. Sherif Sami
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Adel and Marion Sourial
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An Insight Trip group joins Egyptian college students for a dinner discussion.

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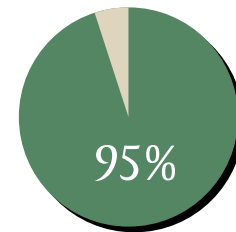
Jennifer Cate
Executive Director

Ivana Veselinovic-Smucker
Development Officer

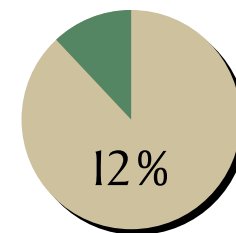
Anne Marsa
Dialogue Coordinator

**SELECTED STATISTICS,
2006**

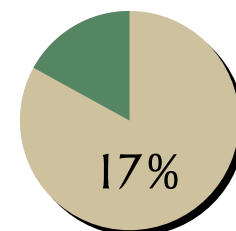
**Percentage of most
designated gifts sent
directly to projects
in Egypt**



**Percentage of income
contributed by HANDS
board of directors**



**Percent of expenses
used for administration
and fundraising
(United Way guidelines:
Should be under 25%)**



**Total number
of volunteer hours
in U.S. (estimated)**

1,479



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

Hands Along the Nile Development Services, Inc.
1601 North Kent Street, Suite 1014
Arlington, VA 22209

800-564-2544
info@handsalongthenile.org

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