

Narrative Report Arab-West Foundation 2016

Board members in 2016:

Koen Vliegthart (chair)

Dick van der Steen (secretary)

Martin Schippers (treasury)

Advisors to the board in 2016

Cornelis Hulsman

Eildert Mulder (appointed in board meeting March 26, 2015)

The Stichting AWF supports the work of the Center for Intercultural Dialogue and Translation (CIDT), and Center for Arab-West Understanding (CAWU) in Egypt. Board members and advisors provided advice concerning work and management of CIDT in Egypt. The work of CIDT and CAWU has been described in separate narrative reports. The Stichting is concerned about the meagre pension savings for Sawsan Gabra Ayoub Khalil and Cornelis Hulsman as well as their debts to Egyptian tax authorities and makes efforts to address these and build up some reservations.

1. Board advisors

1.1. Work board advisor Eildert Mulder

The International Institute for Religious Freedom (IIRF) asked Cornelis Hulsman in December 2015 to audit the reporting of Open Doors about religious freedom in Egypt. Eildert Mulder contributed to this over 80 page report. The IIRF agreed to pay €1.450 for this report which will be used for payment of taxes old-CIDT.

1.2. No renewal of residence permit of Cornelis Hulsman in Egypt

The Egyptian Press Center did not renew the annual residence permit of Cornelis Hulsman after 21 years residence permits based on journalism. They did not respond to two letters to the Dutch Embassy. Travel is still possible based on tourism visa but as a tourist Hulsman is not supposed to work in Egypt. Lawyer Moustafa Kalaty suggested an application based on marriage to an Egyptian national (Sawsan). Sawsan was for this purpose in February 2017 in Egypt. No residence permit has been granted thus far.

2. Cooperation agreement between Stichting AWF and CIDT

Upon the formation of CIDT limited liability company in 2012 Cornelis Hulsman was, according to GAFI, Egypt's investment authority, rejected by security authorities as a partner. Following this we tried to make AWF a partner in CIDT but this too was rejected. In 2016 CIDT tried again to make Cornelis Hulsman a partner since this would automatically provide him with a residence status. This was again rejected without authorities providing any explanation. Cornelis Hulsman

went in October to GAFI and learned that since he is a foreigner he would have to invest at least 50.000 Euros in CIDT in order to qualify as partner. In 2016 CIDT and Stichting AWF signed a cooperation agreement which explains for Egyptian authorities funds CIDT receives at times from AWF.

3. Talks about cooperation with al-Sawt al-Hur (ASAH)

ASAH was founded by Jan Keulen and Petrus Schothorst as media monitor organization in Egypt. It was agreed that ASAH and CIDT in Egypt would cooperate together since there were lots of similarities between both organizations. As part of this agreement it was agreed in February 2015 that ASAH would be able to store € 80.537 on the AWF account for activities in Egypt. ASAH tried to obtain funding for projects of mutual interest in Egypt but did not succeed in achieving this in 2016.

Just as CIDT was ASAH a company. ASAH received support from organizations as NOVIB. It turned out to be difficult for Dutch management to run a company in Egypt. Due to problems between ASAH and their accountant (incomplete tax declarations) ASAH had to be closed. The legal/financial problems of ASAH and media restrictions in Egypt made funders turn away from ASAH. In 2016 an amount of 34.592 was used for the ASAH goals, so € 45.944 remains.

4. Fundraising in Christian Reformed Church of Den Haag

On September 7 Kees Hulsman wrote the Diakonie a letter on September 7 requesting support. Filip Hulsman presented on September 11 the work of interns in the Christian Reformed Church of Den Haag. This was attended by several previous interns who spent the summer of 2016 in Egypt. The Church Council accepted to adopt a project to do fundraising for the appointment of an intern coordinator in Cairo. First activities have started in 2017. It is important to contact Deputaten Hulpverlening in order to widen support.

5. Fundraising Anna Lindh Foundation

The Anna Lindh Foundation approved a project of the Center for Arab-West Understanding but CAWU now needs a permission of the Ministry of Social Solidarity in Egypt to carry out this project.

6. UN Global Compact business for peace price

Prof. Dr. Willem Kuiper, a friend of Arab-West Report, nominated Cornelis Hulsman for the Business for Peace Price of 2016. This nomination was supported by the boards of the Arab-West Foundation and the Center for Arab-West Understanding. Cornelis Hulsman was not selected but

in October UN Global Compact in Egypt nominated Cornelis Hulsman again.

7. Project with the Data Archiving and Networked Services (DANS)

Prof. Dr. Willem Kuiper, a friend of Arab-West Report, introduced Cornelis Hulsman to DANS to safeguard data for the future. Cornelis Hulsman presented on November 14, 2015, a request for a Small Data Project (Kleine Data Project) and by the end of January 2016 received an email with acceptance of the request. This resulted in a Beschikkingsbrief of February 26, 2016 that gave CIDT a deadline of December 1, 2016 which followed our own expectations as formulated in November 14, 2015. We were able to hire two staff and asked all interns in 2016 to contribute to this project, making summaries of recorded interviews and making datasets for uploading on DANS but work turned out to be far more time consuming than expected. The deadline was not met and DANS threatened not to pay their contribution to the costs of this project. Cornelis Hulsman met with Dr. Henk Harmsen, DANS deputy director, in December 2016 and received an extension until February 1, 2017. That deadline was met but the correction of the datafiles will only be completed by mid-April.

The work with DANS formed the basis for a request in November for a follow-up project with the Archdiocese of Koeln that will cost us 20 months of work. This request was approved and includes correcting meta data and making our database meet the criteria of University library standards so that they can subscribe to us.

The next stage is fundraising to make the needed IT changes for this purpose in our database.

8. Holy Family website

The responsibility/ownership for the Holy Family website moved with the revision/updating of the websites in 2015 from the Arab-West Foundation to the Center for Arab-West Understanding (CAWU). Intern Shen Shangyun works with Cornelis Hulsman on updating the Holy Family website and hope to find sponsor income to keep this website maintained. Adel Rizkallah explained CAWU cannot receive sponsor monies since that needs permissions of the Ministry of Social Solidarity and thus the responsibility/ownership of the Holy Family website needs to go back to the Arab-West Foundation.

9. Pension Sawsan Gabra Ayoub Khalil and Cornelis Hulsman

Sawsan and Cornelis moved in 1995 permanently to Egypt and unsubscribed from the Dutch population register. This reduced their costs of living in Egypt but also had as consequence that they created an AOW gap. They had at the time no idea how long they would stay in Egypt. For a short period the consequences would have been acceptable but they stayed longer which annually increased their AOW gap. The Sociale Verzekeringsbank calculated in March 2016 that if Sawsan stays until her 67th year in The Netherlands she has a gap of 42%. The gap for Cornelis Hulsman

is 30%. This is for both below the Dutch subsistence minimum. The AWF board is deeply concerned about the status of their pension and is dedicated to help them to find solutions.

9.1. Siwa Farms

In order to address the AOW-pension gap Sawsan and Cornelis Hulsman bought in 2006/2007 with financial support of Sawsan's brother Raga'i Gabra Ayoub Khalil 220 feddans of desert land in Siwa, Egypt, in order to participate in a project to grow kenaf that had been designed by Dr. Ralph Berenger. Dr. Berenger, scammed by an Egyptian accountant, left Egypt in 2007, leaving Sawsan and Cornelis alone with this land in Siwa. Berenger had given this project the name: Siwa Farms and we decided to keep this name. Sales turned out to be impossible because the land was bought under the Egyptian wada'iyat system which specifies that one first gets a document showing one's presence on the land. Only after land has been brought under culture one can ask for full ownership documents which eases sales. Sales of land without such documents is extremely difficult. The consequences of this system were unknown to Sawsan and Cornelis Hulsman in 2007.

In 2008 and 2012 they planted olive trees on 20 feddans of land but lacked experience and funding to develop this land of which around half have died. They developed in May 2015 a website to present all data on this land in order to facilitate sales. See: <https://siwafarms.wordpress.com/>.

In 2016 efforts were increased to develop and sell the land:

- Advertising in al-Waseet, an advertising publication. People interested asked for legal documents. Without such documents there is no interest in buying the land.
- September 9, 2015 – 2000Euro contract with lawyer Mohammed Aziz el-Gohary to strengthen the legal documents of the land to facilitate sales – resulted in no concrete results.
- Site visits were made on March 17-20, May 21-25 (Saber Krupa), August 4-7, October 13-17, November 10-14.
- Two interns went briefly to Siwa for work on an organic farm.
- Contact with the Boerderij about an article about farming in Siwa. This is an effort to attract the interest of young farmers to come to Siwa. Intern Harm van der Wilt wrote an article that was handed in in March 2017.
- Contact with AERES University in Dronten for an intern who will work with Cornelis Hulsman on a businessplan for the land in Siwa. In December Jantine Stulp, a student in biology, signed up for this three months internship that starts on April 16, 2017.
- December agreement 75% payment of sum for research for the Desert Research Center, Cairo for a report on water and soil conditions.
- Agreement with Ragaie to send Canadian/Egyptian lawyer Moustafa Kalaty to Egypt. Moustafa came in February 2017 and advised to form a company. Prior to this the balance and P&L of the company needs to be made.

Initial plans to sell the land were dropped since that would result in a substantial loss on the costs spent thus far. Raga'i wants to invest in order to increase de value of the land.

Costs between 2008 and 2016 were fully carried by Sawsan and Cornelis. Suggested is that Raga'i would change the loan he gave to AWF into a fund to be used for the development of Siwa Farms.

Because costs have thus far been carried by Sawsan and Cornelis they have been forced in making loans with AWF to cover their expenses. The debt of Sawsan and Cornelis to AWF was on December 26, 2016 the sum of 8575,47 Euros.

9.2.AOW pensions

Cornelis and Sawsan have asked the Sociale Verzekerings Bank to calculate their AOW-rights. Cornelis is entitled to an AOW of 70% upon reaching pension age. An effort to increase this for the one year he was in Israel (August 1976-August 1977) with 2% succeeded. Sawsan is entitled to 58% upon reaching pension age. Efforts to increase this percentage failed. The SVB sent March 22, 2017, a letter that if Sawsan wants to challenge their decision she would have to go to court.

9.3.Pension savings through AWF

AWF has been able to use mortgage payments and other income to build a reservation for the pension for Sawsan that was on December 31, 2016 € 73.156.

Beside this reservation it is not likely that the Hulsman family will be able to increase the reservation due to the above mentioned costs in making the land in Siwa attractive for sales which is regrettable since it is insufficient to make up for the reduction Sawsan will have in her AOW-pension scheme.

10. Taxes old CIDT (Adel Rizkallah)

Old CIDT was established in October 2005 as a tawsiya basita (sole proprietorship). CIDT's accountant designed a system to postpone the payment of taxes in order to avoid a 'deficit' in the budget. CIDT's current financial manager notices that this is a system that was often advised by accountants for small organizations that were struggling to make ends meet. In 2007 Sawsan and Cornelis Hulsman realized the consequences for the long run. The first accountant was dismissed. Following accountants, however, did, despite many promises not address the tax payments and in 2012 CIDT tawsiya basita was closed. CIDT limited liability was set-up with a tax payment system that avoids tax debts.

This has resulted in a total tax claim of around 27,681 Euro (including costs of the tax consultant). Of this sum 17,640 Euros have been paid. Remaining to be paid is around 10,041 Euros.

The tax consultant is only fully paid after the entire tax file, including court, is fully completed.

The funding that is thus expected to be required to close the tax file is 10,041 Euro. On April 20, 2016 Adel Rizkallah and Koen Vliegthart asked Kerk in Actie for support. This resulted in a contract with Kerk in Actie for a payment of 15.000 Euro which will be reduced in four years from future funding of Kerk in Actie to CIDT in 2017-2020.

AWR friend Henk Glimmerveen advised Cornelis to engage in fundraising with personal contacts. This resulted in a support of 12,235 € Euros to AWF for the purpose of paying taxes. On November 4, 2016, the Egyptian pound devalued dramatically from 9.7569 to 16.2612 for 1 Euro, (rate as for April 09, 2017 = 19.0253). This reduces the costs of the taxes that still need to be paid.

Tax accountant Ali AbdelWanis expects the following agreement can be concluded with the tax committee:

1. The initial tax calculation covering the period 2009-2012, is 63,800 EgP (amount in Euro as of the rate of today = 3,353 Euro). The following fees need to be added to this: 12,500 EgP (amount in Euro as of rate of today = 657 Euro)

- Tax consultant fee : 7,500 EgP
- Lawyer's cost : 5.000 EgP

Total amount known, and required for payment as of today is: $3353+657 = 4010$ Euros.

This needs to be paid before the end of June 2017

2. The remaining additional tax with a probability ratio of 10%, that this indeed needs to be paid, but not required for immediate payment amount to : 6,031 Euro

a. Amount of payment that is known:

a.1. for salary tax 2005-2012: 56,200 EgP, value of today in Euro is 2,954 Euro

a.2. Additional tax due to the length of the procedure for salary tax 2005-2012: 29,099 EgP (1,529.51 Euro)

The tax advisor advises to wait for an expected presidential decree which might result in an exemption in paying this fine. This decision could take years.

a.3. Additional tax due to the length of the procedure in the payment for the corporate tax 2006-2008: 27,103 EgP (1,424.58 Euro)

The tax advisor, in consultation with Adel Rizkallah and Sawsan Gabra objected this additional tax for the file for 2006-2008 in a letter to the tax department. If the tax authorities insist on payment Sawsan can go to court and this could take years.

b. Amount unknown: this could be around 3,076.61 Euro, related to corporate tax 2009-2012

The tax advisor handed in the file but tax authorities still need to respond to this. If they claim payment then the tax advisor advises to object to this. This also could take years.

Explanation of the minimum and maximum tax liabilities:

1. **Minimum Amount and known are: 4,010 Euro**

- Taxes 3,353 Euro
- Fees 657 Euro

2. **Maximum amount (known + unknown) are: 10,041 Euro**

- Taxes : 3,353 Euro

- *Fees* : 657 Euro
- *Additional known taxes* : 2,954 Euro
- *Additional unknown taxes:* 3,077 Euro

Between the end of June and September 2017 the tax file should be evaluated where it comes to the claims of tax authorities on additional taxes for delays that were not in our hands. We then either decide to go to court or make an effort to come to a compromise with tax authorities.

April 12, 2017