

Narrative Report Arab-West Foundation 2015

Board members in 2015:

Koen Vliegthart (chair)

Dick van der Steen (secretary)

Martin Schippers (treasury)

Advisors to the board in 2014

Cornelis Hulsman

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

Marc van Oudheusden (until December 1, 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 Marc van Oudheusden

Marc van Oudheusden has been working as project manager with CIDT management to implement the upgrade of the websites of the Arab-West Foundation (AWF), Center for Intercultural Dialogue and Translation (CIDT) and Center for Arab-West Understanding (CAWU). Work was carried out by Dutch company New Spiritz which ended with the transfer to Aberdeen Cloud on December 1, 2015. This also ended the work of Marc van Oudheusden as project manager. Results are described in a financial and narrative report to Misereor on December 14, 2015 and a second financial and narrative report to Misereor dated April 13, 2016, describing the closing of this project in December 2015-February 2016. Most important conclusions were:

- The non-AWR websites have been tremendously improved. The database of AWR needed more work than planned, this because of complications and additional applications. As the hour rate for New Spiritz is €91,00 per hour (including taxes) this would not fit into the CIDT budget.
- This is why we moved to Aberdeen Cloud which made it possible to change to IT developers Alex Strooisma and Maged Eladawy with hourly rates of resp. €40,00 and €8,50.

These changes made Marc van Oudheusden and AWF agree that it would be best for all parties he would withdraw as advisor to the board starting December 1, 2015.

1.2. 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.

2. 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.

2.1. Siwa land

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. 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 perhaps 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 2015 efforts were increased to develop and sell the land:

- June, visit delegation Desert Research Center, Cairo for advice
- September 9 – contract with lawyer Mohammed Aziz el-Gohary to strengthen the legal documents of the land to facilitate sales
- November, 2nd visit

It is obvious that sales is needed to reduce the debts of Sawsan and Cornelis Hulsman to Sawsan's brother Raga'i Gabra Ayoub Khalil and if something will be left to use this for their much needed pension savings. It is expected their savings will reduce in 2016 since costs for the land in Siwa need to increase in order to make the land more attractive for sales.

2.2. Pension savings through AWF

AWF has been able to use mortgage payments to build a reservation for the pension for Sawsan that was on December 31, 2015 56,273 Euros. This sum is not likely to increase 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.

3. Taxes old CIDT

Old CIDT was established in October 2005 as a tawsiya basita. 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 45.000 Euro (including costs of the tax consultant). Tax authorities distinguish between the periods 2005-2008 and 2009-2012. For the period 2005-2008 the total taxes and fees due as agreed are 23.040 Euros. Of this sum 14.770 Euros have been paid. Remaining to be paid is 8.270 Euros.

For the period 2009-2012 tax authorities made on March 13, 2016, a claim of 235.000 EgP (24.750 Euros). Sawsan and Cornelis Hulsman disagreed with the calculation of tax authorities and deposited this, through tax consultant Ali Abdel Wanees, on April 7, 2016, to court. Ali Abdel Wanees hired, with permission of Sawsan Gabra Ayoub Khalil, a specialized lawyer who charges 5000 EgP. There are no additional fees for this court case for tax consultant Ali Abdel Wanees. Our tax accountant is convinced this court case will reduce the tax claims with an estimated 10.000 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 8.270 Euro and 14.750 Euros = 23.020 Euro. On April 20, 2016 Adel Rizkallah and Koen Vliegthart asked Kerk in Actie for support. Email correspondence with Kerk in Actie shows the possibility of obtaining a payment of 15.000 Euro in 2016. This will be reduced in four consecutive years from the Kerk in Actie contributions to CIDT in 2017-2020.

4. Cooperation with Al-Sawt al-Hur (ASAH)

It was agreed that ASAH and CIDT in Egypt would cooperate together. As part of this agreement it was agreed in February 2015 that ASAH would be able to store 80.537 Euros 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 2015. With this the cooperation between CIDT and ASAH has remained on hold in 2015.

May 2, 2016