

**REPORT OF
UNITED ISRAEL APPEAL, INC.
TO
THE OFFICE OF THE COMPTROLLER
US BUREAU OF POPULATION, REFUGEES AND MIGRATION
US DEPARTMENT OF STATE**

**ACTIVITIES OF 2005 US RESETTLEMENT GRANT
FOR THE PERIOD ENDING SEPTEMBER 30, 2005
AND FINAL SUMMARY REPORT**

UNITED ISRAEL APPEAL, INC. 2005 UNITED STATES RESETTLEMENT GRANT

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THE GRANT

The 2005 grant agreement between United Israel Appeal, Inc. ("UIA") and the Government of the United States of America, acting through the Department of State, Bureau of Population, Refugees and Migration ("PRM"), was signed on January 6, 2005. During the US government fiscal year, October 1, 2004 - September 30, 2005, UIA received \$50 million, minus a 0.8% rescission mandated by Congress. Amendment No. 1, dated February 11, 2005, established the total of the 2005 US grant at \$49.6 million. The grant provides financial support for the resettlement in Israel of humanitarian migrants from the former Soviet Union ("FSU"), Eastern Europe, Africa, the Near East and other countries of distress.

THE GRANTEE

United Israel Appeal, established in 1925, is a principal beneficiary of the United Jewish Appeal Federation Campaign of United Jewish Communities ("UJC"), the major fund-raising organization for the overseas philanthropic endeavors of the American Jewish community. UIA receives funds raised by local community federations throughout the United States. It also receives nearly all of the receipts of various special campaigns to meet the extraordinary needs of the vastly increased numbers of humanitarian migrants who have left the Soviet Union and Ethiopia since 1989. UIA has received US grants since April 1973 and has used these funds for programs administered by the Jewish Agency for Israel ("JAFI," "the Jewish Agency" or "the Agency"), UIA's operating agent. JAFI has sole responsibility for immigration to Israel and assists in the initial absorption of humanitarian migrants in Israel.

BACKGROUND

For hundreds of years, following their dream of creating a modern Jewish society in Israel, many thousands of Jews migrated to the Land of Israel. Others, driven from their homes by pogroms and anti-Semitism risked their lives to make their way to Israel.

Over the years, Jewish emigration was impossible for the Jews of many countries as they were denied the right of freedom of movement. Denied this right, they were captive in countries where they were unwanted, persecuted, discriminated against and otherwise denied the most basic of human and civil rights.

With the collapse of the Soviet Union in 1989, hundreds of thousands of Jews were able to make their way to freedom. Another door was opened in 1991 with the change of regime in Ethiopia. In partnership with the United States, Israel has made extraordinary efforts to aid Ethiopian humanitarian migrants to take advantage of their opportunity to make a new home in Israel, receiving them and facilitating their successful absorption there.

Although the right of individuals to emigrate has been much more widely recognized, in recent years, some countries still deny their Jewish citizens the right of both internal migration and emigration. Israel, the United States and other countries continue in their efforts to remove these restrictions to ensure the right of every individual to emigrate if they so choose.

Since the first US Government grant was awarded in 1971, Israel has absorbed approximately 1.3 million humanitarian migrants from the FSU, Eastern Europe and other countries of distress, including some 75,000 humanitarian migrants from Ethiopia. The transition is always a challenge. Humanitarian migrants from Ethiopia in particular, face an extremely difficult period of adjustment. Their migration from a simple village lifestyle to life in a modern metropolis requires a greater investment of effort and time to ensure their successful absorption.

CURRENT JAFI FOCUS IN COUNTRY OF ORIGIN AND ISRAEL

As in previous years, JAFI emissaries in the FSU continue to receive thousands of inquires regarding immigration. These potential humanitarian migrants and many others who have made informal inquiries are apparently waiting for Israel's security situation to improve before leaving the FSU. In addition, some 18,000 participants are learning Hebrew in various parts of the FSU. Immigration from Ethiopia continues unabated and the numbers are shortly expected to increase significantly.

The Jewish Agency for Israel offers a variety of programs in the FSU, Eastern Europe and Israel to ease the transition to life in Israel for humanitarian migrants who are beginning the process of immigrating. Only the ulpan (Hebrew-language courses) and preparation for migration and transportation to Israel receive US grant funding. However, JAFI's programs in the country of origin in conjunction with the grant-funded programs there & in Israel form an important part of an overall network of programs aimed at ensuring successful integration of humanitarian migrants into Israeli society. Examples follow:

Programs in the FSU

- **Hebrew-Language Programs:** JAFI operates over 250 ulpan programs throughout the FSU with approximately 18,000 participants.
- **Paraprofessional Studies:** JAFI offers a preparatory program, called Aleh, for young adults immigrating to Israel who are interested in technological studies, engineering and practical engineering.
- **Seminars on the Israeli Job Market and Vocational-Retraining Programs:** Candidates are tested for suitability for jobs in Israel and are pre-registered for retraining programs according to the humanitarian migrant's occupational background. Pre-registration allows them to select cities for residence where jobs are available and retraining and vocational courses are offered.

Programs in Israel

- **Telem:** (a Hebrew acronym for employment, study and housing) is a vocational training program for young Ethiopian humanitarian migrants after their discharge from military service. Operated in partnership with an Israeli national kibbutz organization, participants live on a kibbutz where they work, attend basic computer courses, receive vocational counseling and are assisted in their job search.
- **Single Parents:** Approximately 18% of FSU humanitarian-migrant families and 20% of Ethiopian humanitarian-migrant families are headed by single parents, compared to 12% for Israel as a whole. A program has been developed to prepare such families for successful integration into Israeli society.

FINANCIAL SUMMARY

General Commentary:

During UIA's fiscal year ended June 30, 2005, UIA revenue amounted to \$206.8 million from United Jewish Communities, \$49.6 million from the US grant, and \$6.7 million from the sale of apartments, rental income and interest, bringing total UIA revenue to \$263.1 million. UIA provided \$272.2 million toward JAFI's expenditures.

UIA reimburses the Jewish Agency for its grant expenses upon receipt of vouchers with supporting documentation. In addition, UIA is authorized to provide advances for anticipated expenses. UIA draws funds from its Payment Management System (PMS) account as necessary, in accordance with the guidelines determined by the Bureau of PRM and the Department of Health & Human Services (HHS).

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$24,647,947: \$15 million on June 16 and \$9,647,947 on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

During the six months ended March 31, 2005, UIA made two drawdown requests totaling \$24,952,053: \$9,452,053 on January 13 and \$15.5 million on March 29. The funds became available on January 14 and March 31, respectively, and were immediately transferred to JAFI.

Amendment #2 to the 2005 US grant agreement, dated September 19, 2005, reallocated \$1.865 million from Programs A-1, A-2 and A-5 to Program A-4 Maintenance at Absorption Centers and Ulpanim & Direct Absorption. (See Schedule 1.)

UIA's 2005 US grant continues to fund immigration and absorption programs, a major priority of UIA and the Jewish Agency.

Together, Programs A-1 Processing, En Route Care and Maintenance and A-2 Transportation to Israel, received \$6.3 million during the year ended September 30, 2005. This represents 13% of the US grant budget for the 2005 grant year.

During the year ended September 30, 2005, Program A-4: Maintenance at Absorption Centers and Ulpanim & Direct Absorption received \$30.615 million. This represents 62% of the US grant budget for the 2005 grant year. This program continues to receive a proportionally larger share of grant funding. The increase of weaker populations among the humanitarian migrants necessitates extended housing solutions as well as other special programs.

During the year ended September 30, 2005, Program A-5: Youth Aliyah—Unaccompanied Minors received \$8.653 million. This represents 17% of the US grant budget for the 2005 grant year.

During the year ended September 30, Program A-7: Transitional Assistance received \$4 million. This represents 8% of the US grant budget for the 2005 grant year.

During the year ended September 30, Program-Evaluation Cost received \$32,000. This represents 0.1% of the US grant budget for the 2005 grant year. (See Schedule 1.)

Code of Conduct Policy: At the request of UIA, JAFI legal counsel has incorporated the US State Department's Code of Conduct into JAFI personnel policy. UIA-NY has also incorporated the Code of Conduct principles into UIA personnel policy and distributed the revised policy to UIA personnel in May 2005.

This material, and the program material that follows, has been prepared with the assistance of UIA's operating agent, the Jewish Agency for Israel.

SUMMARY OF PROGRAM ALLOCATIONS AND UNEXPENDED ALLOCATIONS

October 2004 - September 2005

	PROGRAM	PROPOSED ALLOCATION	AMENDMENT #1	DRAWDOWNS					AMENDMENT #2		UNEXPENDED ALLOCATION
				OCT 1 - DEC 31, 2004	JAN 1 - MAR 31, 2005	APR 1 - JUN 30, 2005	JUL 1 - SEP 30, 2005	REALLOCATION SEP 19, 2005	TOTAL ALLOCATION		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
A-1	Processing, En Route Care & Maintenance Preparation, care, maintenance and other pre-immigration expenses	3,850,000	3,850,000	0	1,925,000	1,200,000	725,000	(450,000)	3,400,000	0	
A-2	Transportation to Israel Transportation of humanitarian migrants to Israel	3,100,000	3,115,000	0	1,709,553	800,000	605,447	(215,000)	2,900,000	0	
A-4	Maintenance at Absorption Centers and Ulpanim & Direct Absorption Temporary accommodation upon arrival in Israel	28,750,000	28,750,000	0	14,375,000	8,790,000	5,585,000	1,865,000	30,615,000	0	
A-5	Youth Aliyah — Unaccompanied Minors Expenses for children requiring institutional care and for unaccompanied minors	10,000,000	9,853,000	0	4,926,500	3,000,000	1,926,500	(1,200,000)	8,653,000	0	
A-7	Transitional Assistance Targeted training to provide skills for employment in Israel	4,268,000	4,000,000	0	2,000,000	1,200,000	800,000	0	4,000,000	0	
	Program Evaluation	32,000	32,000	0	16,000	10,000	6,000	0	32,000	0	
TOTAL		50,000,000	49,600,000	0	24,952,053	15,000,000	9,647,947	0	49,600,000	0	

* An across-the-board rescission by Congress of PRM's FY 2005 funding reduced UIA's grant by \$400,000.

PROGRAM A-1: PROCESSING, EN ROUTE CARE AND MAINTENANCE

Program Allocations:

2005 Grant Agreement, January 6, 2005	\$ 800,000
Amendment No. 1, February 11, 2005	3,050,000
Amendment No. 2, September 19, 2005	(450,000)
Total Program Allocations	<u>3,400,000</u>

Program Advances:

Amendment No. 2, September 19, 2005	(450,000)
July 1 – September 30, 2005	725,000
April 1 – June 30, 2005	1,200,000
January 1 – March 31, 2005	1,925,000
October 1 – December 31, 2004	- 0 -
Total Program Expenditure	<u>3,400,000</u>

Unexpended Allocation, September 30, 2005 \$ - 0 -

Program Description:

JAFI transit centers and/or emissaries operate in 31 cities in the FSU, Ethiopia and Eastern Europe, all of which are supported by US-grant funds. Operations at these centers complement the direct flights that leave from the same or nearby locations. Humanitarian migrants who live in cities without flight center locations, travel to these stations where they may stay while waiting for a direct flight together with other humanitarian migrants from that city. Use of transit and direct flight centers in Bucharest, Sophia and Warsaw fluctuates according to need. The centers are maintained to care for humanitarian migrants who, for various reasons, cannot leave directly from other locations and they are also available for emergency use and for exceptional circumstances.

During the year ended September 30, 2005, approximately 12,400 humanitarian migrants were processed through 31 transit centers, leaving from 24 direct flight centers located throughout the former Soviet Union, Eastern Europe, Ethiopia and other countries of distress. For a complete list of these locations, see Exhibit A.

The Agency's costs cover the following:

(1) A large variety of services supplied by emissaries and staff; such as assistance in processing documentation; flight coordination and medical care; advice on available programs; housing and employment in Israel; Hebrew-language training.

(2) Office expenses, like communications, preparation of materials for prospective humanitarian migrants, rent, and office supplies.

(3) Logistic Centers, including activities in Israel covering costs of the Desks of the FSU, Eastern Europe, Ethiopia, and other countries of distress responsible for coordinating immigration preparation and flight arrangements. Each location's expenditures vary depending upon the type of accommodations that can be arranged, taking into account non-stable local situations as well as the needs of the humanitarian migrants.

UIA and JAFI, at the request of and in cooperation with PRM, developed a per capita charge of \$327 for this program. This charge represents partial grant participation in actual JAFI expenditures.

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$1.925 million: \$1.2 million on June 16 and \$725,000 on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

During the six months ended March 31, 2005, UIA made two drawdown requests totaling \$1.925 million: \$800,000 on January 13 and \$1.125 million on March 29. The funds became available on January 14 and March 31, respectively, and were immediately transferred to JAFI.

Amendment #2, dated September 19, 2005, reallocated \$450,000 from this program to Program A-4 Maintenance at Absorption Centers and Ulpanim & Direct Absorption, reducing this program's total allocation to \$3.4 million.

Exhibit A provides a breakdown of the number of humanitarian migrants processed, and the related JAFI expenditure, at transit centers in the former Soviet Union, Eastern Europe and Ethiopia for the year ended September 30, 2005.

PROCESSING, ENROUTE CARE & MAINTENANCE FOR PERSONS IMMIGRATING TO ISRAEL

October 2004 - September 2005

Region	# of Humanitarian Migrants	JAFI Expenditure - \$
Russia (including Northern Caucasus)		
Moscow (1)	1,504	4,976,179
Irkutsk	238	191,652
Khabarovsk	232	245,972
Mineralnyevody/ Pyatigorsk	230	172,170
Minsk	614	346,537
Novosibirsk	319	259,971
Vilna/ Riga/ Kaliningrad	62	221,251
Rostov	313	262,872
Samara/ Ulyanovsk	145	224,816
St. Petersburg	402	371,060
Yekaterinburg	436	308,647
Total:	4,495	7,581,127
Ukraine/ Moldova		
Kiev (1)	670	4,738,766
Dnipropetrovsk/ Donyetzk/ Kharkov	711	446,979
Kishinev	252	210,713
Odessa	621	183,791
Simferopol	231	175,722
Total:	2,485	5,755,971
Caucasus		
Baku	177	166,039
Tbilisi	274	147,697
Total:	451	313,736
Asian Republics		
Alma-Ata	321	286,511
Tashkent/ Ashgabad	843	278,908
Total:	1,164	565,419
Bulgaria		
Sophia	50	47,036
Total:	50	47,036
Through Other Stations (2)		
Bucharest	76	51,978
Warsaw	93	31,611
Total:	169	83,589
Total for FSU:	8,814	14,346,878
Ethiopia		
Addis Ababa	3,606	682,002
Total:	3,606	682,002
Logistic Centers (3)		15,353,244
TOTAL FOR PROGRAM A-1:	12,420	30,382,124
TOTAL at \$327 Per Capita (4): \$4,061,340		

(1) These amounts include activities that are carried out in Moscow and Kiev on behalf of all Russia and Ukraine respectively.

(2) Represents humanitarian migrants from the FSU traveling via transit centers in Eastern Europe, as well as Romanian humanitarian migrants.

(3) Logistic centers includes non-grant eligible costs for JAFI programming.

(4) The amount charged to the grant is \$3.4 million.

PROGRAM A-2: TRANSPORTATION TO ISRAEL

Program Allocations:

2005 Grant Agreement, January 6, 2005	\$ 652,053
Amendment No. 1, February 11, 2005	2,462,947
Amendment No. 2, September 19, 2005	(215,000)
Total Program Allocations	<u>2,900,000</u>

Program Advances:

Amendment No. 2, September 19, 2005	(215,000)
July 1 – September 30, 2005	605,447
April 1 – June 30, 2005	800,000
January 1 – March 31, 2005	1,709,553
October 1 – December 31, 2004	- 0 -
Total Program Expenditure	<u>2,900,000</u>

Unexpended Allocation, September 30, 2005 \$ - 0 -

Program Description:

The majority of FSU and Eastern European humanitarian migrants come to Israel by direct flights from 24 locations in the FSU, Eastern Europe and Ethiopia. The Agency has, therefore, negotiated directly with the air carrier companies to arrange for flights from cities in the FSU, and pays these companies directly for their flights to Israel.

Flights are arranged according to airline availability when transportation is needed, which carrier can provide the services, and scheduled flights. The humanitarian migrants are generally provided seats on regularly scheduled flights except where only charter flights can be arranged or in special circumstances.

Since 1992, El Al Israel Airlines has shared the transportation routes to Israel with the new national carriers of the former Republics of the Soviet Union, such as Aerosvit, Irzina (Georgia), Azal Air (Azerbaijan), Dalavia, Uzbekistan Airways and Transaero. Currently, flights to Tel Aviv from Tashkent cost \$425 per person; from Moscow, \$270 per person; from Khabarovsk on Dalavia, \$670 per person; from Irkutsk, \$445 per person. Flights from Kiev on El Al cost \$297 per person. Flights from Alma-Ata on Transaero Airways cost \$415 per person. Flights from Addis Ababa via Ethiopian Air cost \$496 per person. The price varies according to airline. Fluctuating air transportation costs are conditional primarily on unstable fuel availability, changes in dollar versus local currency relationships and other exogenous factors.

Current contractual arrangements valid since 2004 between JAFI and the various flight carriers still contain provisions that have kept average transportation costs at a lower than market level. It should be noted that ticket prices have changed very little as JAFI continues to broaden its contacts with more airlines. The resulting expenses charged in this program are based on actual expenditure and do not exceed an average of \$330 per humanitarian migrant.

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$1,405,447: \$800,000 on June 16 and \$605,447 on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

Program A-2 (cont'd)

During the six months ended March 31, 2005, UIA made two drawdown requests totaling \$1,709,553: \$652,053 on January 13 and \$1,057,500 on March 29. The funds became available on January 14 and March 31, respectively, and were immediately transferred to JAFI.

Amendment #2, dated September 19, 2005, reallocated \$215,000 from this program to Program A-4 Maintenance at Absorption Centers and Ulpanim & Direct Absorption, reducing this program's total allocation to \$2.9 million.

Exhibit B shows monthly transportation expenditure for humanitarian migrants from the former Soviet Union, Eastern Europe, Ethiopia and other countries of distress for the year ended September 30, 2005.

EXHIBIT B

TRANSPORTATION TO ISRAEL FROM THE FORMER SOVIET UNION, OTHER COUNTRIES IN EASTERN EUROPE, ETHIOPIA AND OTHER COUNTRIES OF DISTRESS

October 2004 - September 2005

Month	Humanitarian Migrants from the FSU and Other Countries in Eastern Europe		Humanitarian Migrants from Ethiopia and Other Countries of Distress		Totals	
	# of Flights	Expense - \$	# of Flights	Expense - \$	# of Flights	Expense - \$
October 2004	83	218,107	2	79,838	85	297,945
November	63	188,571	7	226,337	70	414,908
December	82	216,370	4	95,864	86	312,234
January 2005	64	160,866	5	118,660	69	279,526
February	46	114,392	4	119,750	50	234,142
March	63	174,954	5	119,016	68	293,970
April	48	127,525	3	116,766	51	244,291
May	52	165,891	4	119,719	56	285,610
June	68	153,142	5	119,750	73	272,892
July	66	172,220	4	111,780	70	284,000
August	77	229,263	5	115,374	82	344,637
September	84	454,036	4	140,422	88	594,458
TOTAL:	796	2,375,337	52	1,483,276	848	3,858,613 *

* The amount charged to the grant is \$2.9 million.

PROGRAM A-4: MAINTENANCE AT ABSORPTION CENTERS, ULPANIM & DIRECT ABSORPTION

Program Allocations:

2005 Grant Agreement, January 6, 2005	\$ 6,000,000
Amendment No. 1, February 11, 2005	22,750,000
Amendment No. 2, September 19, 2005	1,865,000
Total Program Allocations	<u>30,615,000</u>

Program Advances:

Amendment No. 2, September 19, 2005	1,865,000
July 1 – September 30, 2005	5,585,000
April 1 – June 30, 2005	8,790,000
January 1 – March 31, 2005	14,375,000
October 1 – December 31, 2004	- 0 -
Total Program Expenditure	<u>30,615,000</u>

Unexpended Allocation, September 30, 2005 \$ - 0 -

Program Description:

Absorption Centers: This program serves an essential function in the integration process, particularly for humanitarian migrants from Ethiopia but also for the weaker and needier new arrivals from other countries of distress. The centers also provide necessary on-location services for young adults and families who need a short-term facility to allow them to study at the Hebrew-language Ulpan.

Specially trained professional staff at the absorption centers facilitate the integration of humanitarian migrants into Israeli society. At the end of September 2005, approximately 7,300 grant-eligible persons resided in absorption centers. Of these, 6,800 are from Ethiopia and other countries of distress and 500 are from the FSU and Eastern Europe.

Jewish Agency expenditure for maintenance at absorption centers differs by population and services provided. Maintenance of facilities and related staff expenses are common to the various types of centers. Reimbursement of Agency expenditure is based on both the numbers of humanitarian migrants residing at each facility during the month and the per capita cost as determined by independent auditors.

Monthly reports, as shown in Exhibit D, are based on the number of humanitarian migrants at each of the various facilities calculated on a per-diem basis. During G/Y 2005, October 1, 2004 - September 30, 2005, UIA will reimburse the Agency on the basis of per-capita costs determined by Kesselman & Kesselman PricewaterhouseCoopers, independent auditors. (See Exhibit C.)

Ulpanim: The Jewish Agency operates 35 absorption centers with ulpan programs to assist new arrivals. Each of these facilities provides services for humanitarian migrants who require intensive support, as well as Hebrew-language training. At the end of September 2005, over 7,300 humanitarian migrants studied in ulpan programs as part of the services received at the absorption centers. These costs are included in the absorption center program explained above. In the Kibbutz-Ulpan Program, located in 25 facilities throughout the country, humanitarian migrants participate in a work schedule as well as in language programs. JAFI also operated External Ulpan programs throughout the country in or near the communities for the new arrivals who have opted for direct absorption. At the end of September 30, 2005, over 1,400 humanitarian migrants participated in Kibbutz and External Ulpan programs.

Basic Furnishings for Ethiopians: This program provides beneficiaries with the basic furnishings and household equipment that they need to start their new life in absorption-center apartments on their arrival in Israel. The basic furnishings may include a clothes closet, beds, refrigerator and gas hot plate, three sets of bedding, a table, chairs, cleaning supplies, dishes, pots and pans.

Given their lack of familiarity with many of the aspects of Western society, helping humanitarian migrants from Ethiopia with their initial encounter with major appliances (i.e., refrigerator and gas hot plate) is an essential part of their absorption-center program. These furnishings and appliances can be taken to their permanent housing when the Ethiopians leave the absorption center. Experience has shown that taking along the furnishings they have used since their arrival in Israel reduces some of the initial stress of moving into their own permanent housing.

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$14.375 million: \$8.79 million on June 16 and \$5.585 million on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

During the six months ended March 31, 2005, UIA made two drawdown requests totaling \$14.375 million: \$6 million on January 13 and \$8,375,000 on March 29. The funds became available on January 14 and March 31, respectively, and were immediately transferred to JAFI.

Amendment #2, dated September 19, 2005, reallocated \$1.865 million from Programs A-1, A-2 and A-5 to this program, increasing this program's total allocation to \$30.615 million.

Monthly expenditure for this program for the year ended September 30, 2005, is shown in Exhibit D. This exhibit reflects occupant and expense information of humanitarian migrants from the FSU, Eastern Europe, Ethiopia and other countries of distress, broken down according to absorption facility and ulpan. It also provides information on cost per capita in each type of facility.

Exhibit E shows the expenditure for the Basic Furnishings for Ethiopians Program for year ended September 30, 2005.

**CALCULATED AVERAGE CURRENT MONTHLY COST
OF SUPPORTING "HUMANITARIAN MIGRANTS" IN AN ABSORPTION CENTER
FOR THE YEAR ENDED DECEMBER 31, 2002**

TYPE OF FACILITY	Computed Cost of Housing (a) US\$	Computed Cost of Furniture & Equipment (b) US\$	Cash Outlays (c) US\$	TOTAL US\$
1. "Humanitarian migrant" in an absorption center	169	8	218	395
2. Unaccompanied "humanitarian migrant" in an absorption center	169	8	725	902

NOTES

(a) The computation is based on 10% per annum of the current appraisal value (in US dollars) of a sample of the facilities erected or acquired in prior years as determined by licensed appraisers. (10% per annum – to cover depreciation, owner's repairs, renovations, rental and insurance.)

Cost per immigrant month of residence is calculated on the basis of actual occupancy for the year ended December 31, 2002.

(b) Based on an annual 15% depreciation charge of the cost of replacing furniture, furnishings, and equipment in December 2002.

(c) Based on the actual cash outlays of operating the facilities including cost of staff, heating, food, supplies, electricity, water, municipal taxes, cleaning, laundry, cultural activities and language training. Excluded are owner's repairs, renovations, rental and insurance and after deducting immigrant participation (if any). Payment and participation are made in new Israeli shekels and have been translated into US dollars at the rate of exchange in effect on the date of transaction.

Information prepared by Kesselman & Kesselman PricewaterhouseCoopers, independent auditors.

**COST OF MAINTAINING & CARING FOR HUMANITARIAN MIGRANTS
FROM THE FORMER SOVIET UNION, EASTERN EUROPIAN COUNTRIES, ETHIOPIA & OTHER COUNTRIES OF DISTRESS
IN ABSORPTION CENTERS & ULPANIM**

October 2004 - September 2005

	October 2004						November 2004					
	FSU & EE		Ethiopia & Other		Total		FSU & EE		Ethiopia & Other		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Absorption Centers												
Regular	827	305,877	5,986	2,060,378	6,813	2,366,255	839	296,510	6,336	2,106,401	7,175	2,402,911
Unaccompanied	105	93,181			105	93,181	117	99,572			117	99,572
Total for Absorption Centers	932	399,058	5,986	2,060,378	6,918	2,459,436	956	396,082	6,336	2,106,401	7,292	2,502,483
Ulpanim												
External Ulpanim	1,301	26,616	80	1,771	1,381	28,387	1,348	28,336	74	1,651	1,422	29,987
Kibbutz Ulpanim	100	17,453	3	352	103	17,805	154	27,788	4	845	158	28,633
Total for Ulpanim	1,401	44,069	83	2,123	1,484	46,192	1,502	56,124	78	2,496	1,580	58,620
MONTHLY TOTAL	2,333	443,127	6,069	2,062,501	8,402	2,505,628	2,458	452,206	6,414	2,108,897	8,872	2,561,103
	December 2004						January 2005					
	FSU & EE		Ethiopia & Other		Total		FSU & EE		Ethiopia & Other		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Absorption Centers												
Regular	801	289,536	6,260	2,118,934	7,061	2,408,470	613	225,937	6,265	2,117,713	6,878	2,343,650
Unaccompanied	121	107,168			121	107,168	118	103,519			118	103,519
Total for Absorption Centers	922	396,704	6,260	2,118,934	7,182	2,515,638	731	329,456	6,265	2,117,713	6,996	2,447,169
Ulpanim												
External Ulpanim	1,518	30,293	86	1,956	1,604	32,249	1,616	33,993	89	1,974	1,705	35,967
Kibbutz Ulpanim	178	30,851	4	808	182	31,659	185	36,080	4	575	189	36,655
Total for Ulpanim	1,696	61,144	90	2,764	1,786	63,908	1,801	70,073	93	2,549	1,894	72,622
MONTHLY TOTAL	2,618	457,848	6,350	2,121,698	8,968	2,579,546	2,532	399,529	6,358	2,120,262	8,890	2,519,791

**COST OF MAINTAINING & CARING FOR HUMANITARIAN MIGRANTS
FROM THE FORMER SOVIET UNION, EASTERN EUROPEAN COUNTRIES, ETHIOPIA & OTHER COUNTRIES OF DISTRESS
IN ABSORPTION CENTERS & ULPANIM**

October 2004 - September 2005

	February 2005						March 2005					
	FSU & EE		Ethiopia & Other		Total		FSU & EE		Ethiopia & Other		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Absorption Centers												
Regular	626	239,557	6,434	2,176,809	7,060	2,416,366	645	236,069	6,445	2,140,750	7,090	2,376,819
Unaccompanied	118	101,726			118	101,726	110	94,563			110	94,563
Total for Absorption Centers	744	341,283	6,434	2,176,809	7,178	2,518,092	755	330,632	6,445	2,140,750	7,200	2,471,382
Ulpanim												
External Ulpain	1,319	27,467	82	1,834	1,401	29,301	1,193	24,461	56	1,249	1,249	25,710
Kibbutz Ulpain	175	28,771	4	691	179	29,462	151	31,708	4	673	155	32,381
Total for Ulpainim	1,494	56,238	86	2,525	1,580	58,763	1,344	56,169	60	1,922	1,404	58,091
MONTHLY TOTAL	2,238	397,521	6,520	2,179,334	8,758	2,576,855	2,099	386,801	6,505	2,142,672	8,604	2,529,473
	April 2005						May 2005					
	FSU & EE		Ethiopia & Other		Total		FSU & EE		Ethiopia & Other		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Absorption Centers												
Regular	659	254,207	6,678	2,217,935	7,337	2,472,142	669	255,339	6,717	2,263,477	7,386	2,518,816
Unaccompanied	104	88,518			104	88,518	96	82,953			69	82,953
Total for Absorption Centers	763	342,725	6,678	2,217,935	7,441	2,560,660	765	338,292	6,717	2,263,477	7,482	2,601,769
Ulpainim												
External Ulpain	1,130	22,682	60	1,332	1,190	24,014	1,087	21,482	57	1,242	1,144	22,724
Kibbutz Ulpain	188	28,377	4	807	192	29,184	144	29,520	5	1,002	149	30,522
Total for Ulpainim	1,318	51,059	64	2,139	1,382	53,198	1,231	51,002	62	2,244	1,293	53,246
MONTHLY TOTAL	2,081	393,784	6,742	2,220,074	8,823	2,613,858	1,996	389,294	6,779	2,265,721	8,775	2,655,015

**COST OF MAINTAINING & CARING FOR HUMANITARIAN MIGRANTS
FROM THE FORMER SOVIET UNION, EASTERN EUROPIAN COUNTRIES, ETHIOPIA & OTHER COUNTRIES OF DISTRESS
IN ABSORPTION CENTERS & ULPANIM**

October 2004 - September 2005

	June 2005						July 2005					
	FSU & EE		Ethiopia & Other		Total		FSU & EE		Ethiopia & Other		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Absorption Centers												
Regular	650	232,417	6,941	2,306,064	7,591	2,538,481	479	172,179	6,888	2,307,562	7,367	2,479,741
Unaccompanied	78	63,011			78	63,011	67	51,552			67	51,552
Total for Absorption Centers	728	295,428	6,941	2,306,064	7,669	2,601,492	546	223,731	6,888	2,307,562	7,434	2,573,293
Ulpanim												
External Ulpain	983	18,764	59	1,239	1,042	20,003	979	19,044	57	1,226	1,036	20,270
Kibbutz Ulpain	131	23,607	4	637	135	24,244	123	21,175	3	403	126	21,578
Total for Ulpanim	1,114	42,371	63	1,876	1,177	44,247	1,102	40,219	60	1,629	1,162	41,848
MONTHLY TOTAL	1,842	337,799	7,004	2,307,940	8,846	2,645,739	1,648	263,950	6,948	2,309,191	8,596	2,573,141
	August 2005						September 2005					
Absorption Centers												
Regular	384	142,389	6,945	2,274,170	7,329	2,416,559	406	145,722	6,755	2,215,299	7,161	2,361,021
Unaccompanied	48	36,183			48	36,183	130	90,917			130	90,917
Total for Absorption Centers	432	178,572	6,945	2,274,170	7,377	2,452,742	536	236,639	6,755	2,215,299	7,291	2,451,938
Ulpanim												
External Ulpain	753	14,583	16	342	769	14,925	1,216	24,007	74	1,569	1,290	25,576
Kibbutz Ulpain	134	20,395	2	379	136	20,774	159	24,660	2	359	161	25,019
Total for Ulpanim	887	34,978	18	721	905	35,699	1,375	48,667	76	1,928	1,451	50,595
MONTHLY TOTAL	1,319	213,550	6,963	2,274,891	8,282	2,488,441	1,911	285,306	6,831	2,217,227	8,742	2,502,533

**COST OF MAINTAINING & CARING FOR HUMANITARIAN MIGRANTS
FROM THE FORMER SOVIET UNION, EASTERN EUROPIAN COUNTRIES, ETHIOPIA & OTHER
COUNTRIES OF DISTRESS
IN ABSORPTION CENTERS & ULPANIM
October 2004 - September 2005**

Grant Year Total 2005			
	FSU & EE	Ethiopia and Other	Total
	\$	\$	\$
Absorption Centers			
Regular	2,795,739	26,305,492	29,101,231
Unaccompanied	1,012,863	0	1,012,863
Total for Absorption Centers	3,808,602	26,305,492	30,114,094
Ulpanim			
External Ulpan	291,728	17,385	309,113
Kibbutz Ulpan	320,385	7,531	327,916
Total for Ulpanim	612,113	24,916	637,029
TOTAL	4,420,715	26,330,408	30,751,123 *

Total expenditures in Exhibits D and E is \$31,490,954.

* **The amount charged to the grant for these programs is \$30.615 million.**

Notes:

Facility	Type	Average Monthly Cost Per Capita - \$
Absorption Centers:	Regular	395 (1)
	Unaccompanied	902 (1)
Ulpanim:	External	20
	Kibbutz	176

(1) Not all participants reside in absorption centers for a full month. The grant is charged on a per diem basis. (See Exhibit C.) Additionally, cost per capita is calculated based on calculated average monthly cost of supporting a humanitarian migrant in an absorption center as audited by Kesselman & Kesselman PricewaterhouseCoopers.

VAT has been excluded from reported expenditures.

**COST OF MAINTAINING AND CARING
FOR HUMANITARIAN MIGRANTS FROM ETHIOPIA**
October 2004 - September 2005

BASIC FURNISHINGS FOR ETHIOPIANS

Period	Expense \$
October 2004 - September 2005	739,831 *

Total expenditure in Exhibits D and E is \$31,490,954.

*** The amount charged to the grant for these programs is \$30.615 million.**

VAT has been excluded from reported expenditures.

PROGRAM A-5: YOUTH ALIYAH – UNACCOMPANIED MINORS

Program Allocations:

2005 Grant Agreement, January 6, 2005	\$ 2,000,000
Amendment No. 1, February 11, 2005	7,853,000
Amendment No. 2, September 19, 2005	(1,200,000)
Total Program Allocations	<u>8,653,000</u>

Program Advances:

Amendment No. 2, September 19, 2005	(1,200,000)
July 1 – September 30, 2005	1,926,500
April 1 – June 30, 2005	3,000,000
January 1 – March 31, 2005	4,926,500
October 1 – December 31, 2004	- 0 -
Total Program Expenditure	<u>8,653,000</u>

Unexpended Allocation, September 30, 2005 \$ - 0 -

Program Description:

This program provides for education, maintenance and care for the social and cultural integration of humanitarian-migrant youth that arrive in Israel as unaccompanied minors, in advance of their families. Through the grant, JAFI programs provide the three years of maintenance costs in facilities for high-school youth from the FSU in the Na'aleh program and for one year for post high-school youth in the Selah program.

Na'aleh: This is a three-year program for high-school age, unaccompanied minors, grades 10-12. They are housed in dormitory schools throughout the country. The program is operated in conjunction with the Government of Israel. A portion of teaching-related expenses, such as teachers' salaries, is the responsibility of the Ministry of Education. JAFI participates in maintenance costs on the basis of a tariff determined by the GOI Department of the Treasury.

Selah: This one-year program provides maintenance and care for unaccompanied minors, who are post-high school graduates when they enroll. The students receive an intensive ulpan and additional courses to prepare them for acceptance into institutions where they can continue their education. The goal of the program is to promote their social and cultural integration into the mainstream of Israeli society. Monthly costs are based on the number of participants who are housed in absorption centers, calculated on a per-diem basis.

Participants enrolled in the Youth Aliyah—Unaccompanied Minors program receive full-time care in one of two possible settings:

- Residential schools for unaccompanied high-school youth in the Na'aleh program;
- Absorption Center facilities for unaccompanied minors in the Selah program.

During G/Y 2005, October 1, 2004 - September 30, 2005, UIA will reimburse the Agency on the basis of per-capita costs determined by Kesselman & Kesselman PricewaterhouseCoopers, independent auditors. (See Exhibit C.)

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$4,926,500: \$3 million on June 16 and \$1,926,500 on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

Program A-5 (cont'd)

During the six months ended March 31, 2005, UIA made two drawdown requests totaling \$4,926,500: \$2 million on January 13 and \$2,926,500 on March 29. The funds became available on January 14 and March 31, respectively, and were immediately transferred to JAFI.

Amendment #2, dated September 19, 2005, reallocated \$1.2 million from this program to Program A-4 Maintenance at Absorption Centers and Ulpanim & Direct Absorption, reducing this program's total allocation to \$8.653 million.

Exhibit E provides a monthly breakdown of program expenditure for the year ended September 30, 2005.

EXHIBIT F

COST OF MAINTAINING AND CARING FOR UNACCOMPANIED MINORS FROM THE FORMER SOVIET UNION October 2004 - September 2005

Month	# of Unaccompanied	Expense
	Minors	\$
October 2004	1,398	881,788
November	1,401	879,046
December	1,390	891,654
January 2005	1,387	883,119
February	1,374	877,264
March	1,366	870,247
April	1,350	852,157
May	1,344	841,827
June	1,257	842,323
July	143	108,633
August	101	72,339
September	1,297	752,721
TOTAL:		8,753,118 *

* The amount charged to the grant is \$8.653 million.

Notes:

A. Monthly Cost Per Capita:

	<u>Expense - \$</u>	<u>Monthly Full-Time Equivalent Beneficiaries</u>	<u>Average Cost Per Capita - \$</u>
Selah	2,942,977	272 (1)	902 (1)
Na'aleh	5,810,141	1,028	565
TOTAL:	8,753,118		

B. New and Continuing Beneficiaries:

	<u>Avg. # of New Beneficiaries</u>	<u>Avg. # of Continuing Beneficiaries</u>	<u>Total Avg. # of Beneficiaries</u>
Selah	288	0	288
Na'aleh	347	700	1,047
TOTAL:	635	700	1,335

(1) Not all participants reside in absorption centers for a full month. The grant is charged on a per diem basis. (See Exhibit C.) Additionally, cost per capita is calculated based on calculated average monthly cost of supporting a humanitarian migrant in an absorption center as audited by Kesselman & Kesselman PricewaterhouseCoopers.

VAT has been excluded from reported expenditures.

PROGRAM A-7: TRANSITIONAL ASSISTANCE

Program Allocations:

2005 Grant Agreement, January 6, 2005	\$ - 0 -
Amendment No. 1, February 11, 2005	4,000,000
Amendment No. 2, September 19, 2005	- 0 -
Total Program Allocations	<u>4,000,000</u>

Program Advances:

Amendment No. 2, September 19, 2005	- 0 -
July 1 – September 30, 2005	800,000
April 1 – June 30, 2005	1,200,000
January 1 – March 31, 2005	2,000,000
October 1 – December 31, 2004	- 0 -
Total Program Expenditure	4,000,000

Unexpended Allocation, September 30, 2005 \$ - 0 -

Program Description:

This joint JAFI and GOI program provides training for new arrivals in Israel from Ethiopia and the FSU who either have had no previous training or who require retraining to prepare them to obtain employment. The program also provides young adults with up to three years of transitional assistance. Using the curricula of various educational institutions around the country, special programs provide the extra assistance young adult migrants need to catch up with their peers.

Kedma: A ten-month program for Ethiopian humanitarian migrants, offered in cooperation with the Ministries of Education and Absorption, this program is designed for young adults who display potential and high levels of motivation. During the G/Y period, approximately 480 students participated in high-school equivalency courses through Kedma, making them eligible for Ministry of Labor vocational-training programs. A supplemental 18-month program, **Kedma Technology**, prepares young adult migrants from Ethiopia for two-year practical engineering courses. Participants in Kedma programs reside at an absorption center for the duration of the program.

Auto Mechanics: Offered to humanitarian migrants living in absorption centers as well as those participating in direct absorption, this program is supported by JAFI, the Ministries of Immigration & Absorption and Labor, and the Israel Association of Garage Owners. Participants with a technical background are interviewed prior to immigration. For many, it is a second career because their previous occupational backgrounds may not be relevant in Israel. The 22-month program entails an extended-language program, including professional Hebrew, classroom lectures and on-the-job training. In cooperation with the Association of Garage Owners, on-the-job training takes place at a trainee's future place of employment, facilitating a smooth transition from training to employment.

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$2 million: \$1.2 million on June 16 and \$800,000 on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

During the six months ended March 31, 2005, UIA made one drawdown request totaling \$2 million on March 29. The funds became available on March 31 and were immediately transferred to JAFI.

Exhibit G provides a breakdown of JAFI expenditure for the Transitional Assistance Program by institution and number of beneficiaries for the year ended September 30, 2005.

Exhibit H provides a breakdown of JAFI expenditure for the Kedma Program by number of average monthly beneficiaries for the year ended September 30, 2005.

EXHIBIT G

TRANSITIONAL ASSISTANCE
October 2004 - September 2005

Name of Institution	FSU		Ethiopia		TOTAL
	# of Humanitarian Migrants	Expenses \$	# of Humanitarian Migrants	Expenses \$	Expenses \$
A. D. Gordon College of Education	6	12,429			12,429
Academic College of Engineering, Jerusalem	3	6,880			6,880
Academic College of Engineering, Tel Aviv-Yaffo (Tel Aviv University)	2	3,836			3,836
Academic College of Tel Aviv-Yaffo (Tel Aviv University)	6	12,615			12,615
Achva Academic College (Open University)	3	5,814			5,814
Achva Regional College	2	4,185			4,185
Afik Regional College	9	10,408			10,408
Ashkelon Academic College (Bar Ilan University)	12	27,216			27,216
Avni Institute - Tel Aviv	3	7,192			7,192
Bar Ilan University	85	205,994			205,994
Beer Sheva School of Technology	21	29,782			29,782
Beit Berl Teachers College	3	7,458			7,458
Beit Rifka Religious College for Women	2	4,289			4,289
Beit Ya'akov Institute for Teachers - Jerusalem	1	2,010			2,010
Beit Ya'akov Teachers Training Seminary - Alei Beer	1	2,457			2,457
Beit Ya'akov Teachers Training Seminary - Haifa	1	2,413			2,413
Ben Gurion University of the Negev - Eilat Campus	48	114,952			114,952
Bezalel Academy of Arts and Design	6	15,101			15,101
Camera Obscura School of Art	1	2,397			2,397
Center for Educational Technology - Neshet	12	17,672			17,672
Center for Technology Studies - Holon	2	3,596			3,596
College for Engineering Teachers (Sha'anani College Kfar Sita)			3	2,594	2,594
College for Technology - AMIT Petach Tikva			1	1,179	1,179
David Yellin Teachers College	9	21,980			21,980
Dina School of Nursing, Beilinson Medical Center (Tel Aviv University)	3	5,026			5,026
Efrata Religious College for Women	1	1,243			1,243
Emunah College	2	2,875			2,875
EREZ - Center for Educational and Social Advancement in the Western Galilee	1	1,541			1,541
Hadassah Academic College	6	11,987			11,987
Hadassah College - Hadassah Youth Services	3	3,083			3,083
Hadassah Medical Organization	4	8,146			8,146
Haifa University	88	216,947	19	71,281	288,228
Hakfar Hayarok Ltd. - Tafnit	1	236	1	1,179	1,415
Haredi Center for Vocational Training	6	7,600			7,600
Hebrew University of Jerusalem	98	262,560			262,560
Interdisciplinary Center Herzliya	1	2,397			2,397
Jerusalem College of Technology - Machon Tal	29	59,814			59,814

	FSU		Ethiopia		TOTAL
	# of Humanitarian Migrants	Expenses \$	# of Humanitarian Migrants	Expenses \$	Expenses \$
Name of Institution					
Jerusalem Rubin Academy of Music and Dance	4	7,192			7,192
Jezreel Valley (Haifa University)	3	6,293	101	182,858	189,151
Jordan Valley Academic College	4	9,494			9,494
Jordan Valley Regional College (Bar Ilan University)	1	1,541			1,541
Kadoorie Agricultural School	1	236			236
Kay College of Education	2	4,795			4,795
Kiryat Ono Academic College	1	2,014			2,014
Laniado Religious School of Nursing	1	1,003			1,003
Levinsky Teachers College - Tel Aviv	3	7,473	1	2,754	10,227
Meimad School for Visual Art	1	1,267			1,267
Michlalah - Jerusalem College for Women	6	14,915			14,915
Ministry of Health Nursing Division	5	6,070			6,070
National School for Adult Engineers, next to the Technion	11	13,822			13,822
Open University	20	22,507			22,507
Oranim - The School of Education of the Kibbutz Movement	3	7,458			7,458
ORT Levinson College - Kiryat Bialik	18	22,417	1	1,267	23,684
Religious Seminary in the South - Ofakim	9	21,130			21,130
Ruppin College	1	771			771
Sammy Shimon Academic College of Engineering	48	63,932			63,932
Sapir Academic College	20	30,506	70	235,649	266,155
School of Nursing, Barzilai Medical Center, Ashkelon (Bar Ilan University)	4	8,110			8,110
Shaanan Academic Religious College of Education	1	2,491			2,491
Shenkar College of Textile Technology and Fashion	1	2,397			2,397
Sherman Nursing School Ha'emek Medical Center	3	6,017			6,017
State Teachers College - Seminar Hakibbutzim	7	12,346			12,346
Tadmor School for Hotel Management	1	2,397			2,397
Talpiot College - The State Religious Teachers College	1	2,486			2,486
Teachers Seminary for Jewish Studies - Moreshet Ya'akov	1	2,486			2,486
Technion, Israel Institute of Technology	73	196,103	1	3,114	199,217
Tel Aviv College of Administration	1	2,933			2,933
Tel Aviv Technological College	8	13,670			13,670
Tel Aviv University	202	546,343			546,343
Tel Chai Academic College (Haifa University and Hebrew University)	3	7,192			7,192
Tel Chai Regional College - Center for Learning	1	1,541			1,541
Tsfat College (Bar Ilan University)			29	79,876	79,876
Upper Nazareth College - Jezreel	6	8,149			8,149
Western Galilee Academic College	2	4,739	77	139,859	144,598
Western Galilee Regional College	5	7,707			7,707
Yeda College of Technology	2	2,533			2,533
Zinman College of Physical Education at the Wingate Institute	1	2,486			2,486
Ziv School of Nursing, Tsfat	2	4,035			4,035
TOTAL:	968	2,185,128	304	721,610	2,906,738 *

New	Continuing	TOTAL
654	618 **	1,272

Total expenditures for Exhibits G and H is \$4,044,635.

* The amount charged to the grant for these programs is \$4 million.

** Students were enrolled in previous years and paid for by JAFI, but not necessarily with US grant funds.

TRANSITIONAL ASSISTANCE

October 2004 - September 2005

VOCATIONAL TRAINING PROGRAM

Program	Program Beneficiaries	# of Avg. Monthly Beneficiaries	Expense \$
Kedma	Humanitarian Migrants from Ethiopia	262	1,137,897 *

Total expenditure in Exhibits G and H is \$4,044,635.

* The amount charged to the grant for these programs is \$4 million.

PROGRAM EVALUATION COST

Program Allocations:

2005 Grant Agreement, January 6, 2005	\$ - 0 -
Amendment No. 1, February 11, 2005	32,000
Amendment No. 2, September 19, 2005	- 0 -
Total Program Allocations	<u>32,000</u>

Program Advances:

Amendment No. 2, September 19, 2005	- 0 -
July 1 – September 30, 2005	6,000
April 1 – June 30, 2005	10,000
January 1 – March 31, 2005	16,000
October 1 – December 31, 2004	- 0 -
Total Program Expenditure	<u>32,000</u>

Unexpended Allocation, September 30, 2005 \$ - 0 -

Program Description:

At PRM's suggestion, UIA requested JAFI to secure the services of independent program evaluators to review the operation and effectiveness of grant-supported programs. PRM has agreed that expenses related to such independent audits can be charged to the grant although the grant will not be increased to cover such expenses.

Financial Activities of the Period and Final Summary Report:

During the six months ended September 30, 2005, UIA made two drawdown requests totaling \$16,000: \$10,000 on June 16 and \$6,000 on August 4. The funds became available on June 20 and August 9, respectively, and were immediately transferred to JAFI.

During the six months ended March 31, 2005, UIA made one drawdown request totaling \$16,000 on March 29. The funds became available on March 31 and were immediately transferred to JAFI.

Exhibit I provides a breakdown of JAFI expenditure for Program Evaluation for the year ended September 30, 2005.

EXHIBIT I

PROGRAM EVALUATION

October 2004 - September 2005

Program Evaluation	Expense \$
Emigration Preparation & Transportation to Israel	18,690
Transitional Assistance:	
Mechanics Project	11,819
Kedma	3,549
TOTAL:	34,058 *

* The amount charged to the grant is \$32,000.

PROGRAM EVALUATION

Since the 2002 US grant agreement, United Israel Appeal (UIA) and the Jewish Agency for Israel (JAFI), with the guidance of PRM, have been developing performance indicators for each of the US grant-supported programs.

The Program Evaluation material that follows has been prepared in accordance with OMB's **Program Assessment Rating's Tool (PART), Attachment B, BPM852, Addendum 1 (April 18, 2002): Instructions for the Program Assessment Ratings Tool.**

Specific indicators and results are located in the individual program sections of this Program Evaluation section.

Program Purpose

Many countries have had a history of denying their Jewish citizens the basic right to emigrate. But beyond the denial of freedom of movement, these countries also have politically and economically repressed their Jewish citizenry. UIA together with JAFI and in partnership with the US government, have struggled to overcome these barriers to freedom of movement. But removing legal barriers is only part of the task. Given their history of political and economic repression, most Jews in these countries lack the finances to exercise their newly found freedom of movement. The US grant, together with other financial resources mobilized by UIA and JAFI, affords humanitarian migrants the opportunity to exercise this right to emigrate. In assisting Jewish immigration to Israel from countries of distress, UIA fulfills its mission to respond effectively to the emergency and ongoing material-assistance needs of Jewish humanitarian migrants who immigrate to Israel from grant-eligible countries. **(I.1)**¹

The US grant helps to fund five programs whose goals are two fold: emigration of humanitarian migrants to, and successful integration into, Israel. **(I.2)** To achieve these goals, the US grant programs have been designed to address the reality that émigrés from different countries have differing needs.

While the US grant is not the sole source of financing, it plays a crucial role in the present and future viability of the five grant-eligible programs. If the grant funds were not available, both the scope and quality of the grant programs would necessarily be reduced, thereby significantly undercutting their impact. **(I.3)** Each of these programs addresses a critical stage in the emigration to and successful integration of humanitarian migrants into Israel; stages not addressed by other programs of either JAFI or other organizations. **(I.4)**

Program's Strategic Plan

The US grant supported programs are a coordinated effort to address the two program goals. Their combined approach represents UIA/JAFI's strategic plan for achieving these goals. **(II)** This comprehensive effort recognizes that émigrés from different countries have differing needs.

Underpinning this strategy is the realization that such programs must include performance assessments and planning to guide program performance. **(II.1)** Each program has outcome goals that support their collective mission: emigration of humanitarian migrants to, and their successful integration into, Israel. Some concrete measure of these goals has been set, followed and is being reported. **(II.3)** The goals are discrete, quantifiable and measurable. **(II.2)** Equally important, they are well thought out and support UIA and JAFI's efforts to achieve their long-term goals. **(II.2)**

¹ Section I, Part 1, of the instruction guide. This paragraph responds to the instruction guide's requirement that the funded programs have a clearly stated purpose. Throughout the program evaluation sections of this report, references to specific components of the instruction guide are provided in parentheses.

A description of the programs, their goals and the measures being developed to assess program success are discussed in detail in the individual program sections of this Program Evaluation.

In summary, the long-term goal of the US grant-funded programs is the grant-eligible humanitarian migrants' successful emigration to and integration into Israel. Each program's short-term goals and performance indicators combine to create a strategic plan to achieve the long-term goals.

G/Y 2005 program-evaluation results follow.

PROGRAM A-1: PROCESSING, EN ROUTE CARE AND MAINTENANCE PROGRAM A-2: TRANSPORTATION TO ISRAEL

UIA and JAFI retained the services of a major Israeli survey-consulting firm and developed a questionnaire that was used to conduct a survey on program-participant satisfaction with Programs A-1 and A-2. Humanitarian-migrant families who arrived from the former Soviet Union by plane during G/Y 2004 were interviewed in the spring of 2005. The gathering of data was conducted in Russian by means of telephone interviews and based on a questionnaire containing general and specific questions. The data analysis corresponds to all sections of the sample and its subgroups, e.g., age and republic of origin.

Social-Demographic Profile of the Interviewees' Sample:

- The sample contained 303 households, which in total included 690 people who arrived in G/Y 2004. All interviewees were at least 18 years of age. The average-size family is 2.9 individuals.
- The predominant countries of origin were Russia (37%) and Ukraine (31%);
- More women than men (66% in contrast to 34%) participated in the sample; 53% of the interviewees were between the ages of 36-65; 37%, between 18-35; 10% were over the age of 65.

Program Evaluation: These are service-delivery programs. Their participants receive information, education and form-processing services via JAFI emissaries at local offices in their countries of origin. The success of these programs is evaluated by the subjective assessment of the program participants. **(Cr. 4)**

Program Goal: The immediate program goal is to achieve a maximum level of satisfaction as expressed by program beneficiaries.

Program Assessment: The degree of program-participant satisfaction with service delivery is the measure of these programs' success. UIA and JAFI, together with an outside survey-consulting firm **(II.4)**, have developed a "client survey" to measure both program-participant satisfaction and the degree to which participants feel this program meets the above-described goal. Respondents are asked to grade the quality of service from 1 to 4, with "1" indicating they were very satisfied and "4" indicating they were dissatisfied.

Performance Indicators: *As part of the construction of the survey, performance indicators have been established against which to measure success or failure.*

PROGRAM A-1: PROCESSING, EN ROUTE CARE AND MAINTENANCE

Performance Indicator: The G/Y 2005 performance indicator for this program was established at 85% of program beneficiaries indicating in the survey that they were satisfied with JAFI services received in the FSU.

PROGRAM A-2: TRANSPORTATION TO ISRAEL

Performance Indicator: The G/Y 2005 performance indicator for this program was established at 85% of program beneficiaries indicating in the survey that they were satisfied with JAFI services received upon arrival in Israel.

Program A-1 and A-2 Survey Results:

Embedded in the questions of the overall survey is the following regarding services received under the auspices of Programs A-1 and A-2:

A-1

Interviewees were asked: To what degree were you satisfied with the level of service you received from JAFI during your immigration preparation in the FSU, beginning with your first visit to a JAFI office until your arrival in Israel?

For G/Y 2005, the performance indicator was set at 85% of the sample. Table A below shows that 82% of interviewees who arrived in G/Y 2004 were satisfied with the services they received in the FSU. An additional 6% were not dissatisfied.

Table A:
Satisfaction with Services Received in the FSU

Degree of Satisfaction	% of Total Sample
Very satisfied	58
Satisfied	24
Not dissatisfied	6
Dissatisfied	2
Needed no assistance from JAFI	10

A-2

Interviewees are asked: To what degree were you satisfied with the level of service you received from JAFI upon your arrival in Israel's Ben Gurion Airport?

For G/Y 2005, the performance indicator was set at 85% of the sample. Table B below shows that 89% of the interviewees who arrived in G/Y 04 were satisfied with the services they received upon their arrival in Israel. An additional 6% were not dissatisfied.

Table B:
Satisfaction with Services Received upon Arrival in Israel

Degree of Satisfaction	% of Total Sample
Very satisfied	68
Satisfied	21
Not dissatisfied	6
Dissatisfied	2
No Response	3

PROGRAM A-4: MAINTENANCE AT ABSORPTION CENTERS AND ULPANIM & DIRECT ABSORPTION

Program Evaluation: Program A-4 has two main components: absorption centers and ulpan programs (Hebrew-language acquisition courses). Each of these subprograms will be evaluated separately, as detailed below:

1. Absorption Centers: The Absorption Center program is intended to provide temporary housing to humanitarian migrants immediately upon their arrival, as well as to facilitate the provision of a variety of absorption services to the humanitarian migrants. Such housing, however, is temporary, with the goal of moving humanitarian migrants into permanent housing as soon as possible. **(I.1)**

UIA reimburses JAFI for the cost of housing humanitarian migrants at absorption centers based on an agreed-upon average monthly-dollar amount. An outside auditor periodically recalculates this amount on behalf of UIA. **(II.4)**

A critical issue in housing is the varying characteristics and needs of different humanitarian-migrant populations. **(I.2)** Different populations and their subgroups possess varying abilities to integrate smoothly into Israeli society. For example, Ethiopian humanitarian migrants come from a pre-industrial, Third-World environment and are often illiterate even in their own language. They, therefore, lack the skills necessary for successful absorption into Israel's post-industrial economy. Vulnerable populations from the FSU and other countries of distress including single parents, physically and mentally disabled, and persons with medical limitations also initially need the extra services provided by the absorption center if they are to integrate into Israeli society.

Program Goal: The immediate program goal is to increase the number of families from Ethiopia leaving the absorption centers for permanent housing within 24 months.

Program Assessment: JAFI has developed a computer program to track duration of stay in the absorption centers. This program details residents by:

- Country of origin
- Length of stay in the centers

Performance Indicator: For G/Y 2005, the performance indicator for Ethiopian humanitarian migrants leaving absorption centers within the first 24 months after arrival was set at 76%. Table C below shows that 78% of Ethiopian humanitarian migrants left absorption centers within 24 months for permanent housing during G/Y 2005.

Table C:
Ethiopian Humanitarian Migrants Leaving Absorption Centers

G/Y	Leaving within 0-24 Months		Leaving within 25-36 Months		Total Leaving
	#	% of Total	#	% of Total	
2005	1,973	78	541	22	2,514

Status: The absorption-center population is predominately composed of humanitarian migrants from Ethiopia and other countries of distress. Most of the FSU population are able to go directly to private housing. That population, therefore, is not included in these performance indicators.

Many Ethiopians extend their stay in absorption centers for a wide range of reasons. These reasons include, but are not limited to: a GOI-placed limit to the number of special mortgages available each year and reduction in the level of other social benefits, difficulties in securing employment, waiting for the end of their children's school year, and culture shock.

2. Hebrew-Language Acquisition: Given that the long-term goal of the overall UIA/ JAFI program is successful integration into Israeli society by humanitarian migrants, successful language acquisition is essential. **(II.1, II.2)** UIA's partners in the Hebrew-Language Acquisition program are JAFI and the Adult Education Division of the GOI Ministry of Education.

FSU and Ethiopian humanitarian migrants are the major grant-eligible populations that participate in Hebrew-language ulpan courses. The educational backgrounds of these two groups markedly differ, however, with FSU humanitarian migrants arriving in Israel both literate in Russian and having had a Western-style education. Ethiopians typically arrive illiterate in their own language and with little, if any, understanding of Western culture or technology.

Program Goal: The immediate program goal is to enable ulpan participants to successfully advance to a higher Hebrew-language acquisition level.

Program Assessment: UIA and JAFI will monitor the percent of course participants who successfully advance in their language studies from their entry level to the next level.

Performance Indicators: Given the heterogeneous backgrounds of the two major humanitarian-migrant groups, UIA and JAFI will maintain two performance indicators, one for humanitarian migrants from the FSU in external-ulpan classes and one for humanitarian migrants from Ethiopia in absorption centers when standardized tests are available. This will allow a tailored approach to servicing their special needs. UIA and JAFI will work with the Adult Education Division of the GOI Ministry of Education to establish an appropriate performance indicator for participants in absorption center ulpanim. **(III.1, Cap 1)**

UIA/ JAFI anticipates that the Ethiopian-humanitarian migrant ulpan-performance indicator will be established at 75% and the FSU performance indicator will be 90%. Performance indicators may be adjusted (upwards or downwards) based on the results of standardized tests available during G/Y 2006.

Table D below shows that 92% of FSU students in External Ulpanim, at the end of the five-month course that began in January 2005 and ended in June 2005, had advanced one level.

Table D:

FSU Participation in Hebrew-Language Acquisition Courses

G/Y Jan-June	# Total	# Advancing One Level	% Advancing
2005	1,864	1,723	92

Status: Until recently, standardized exit exams were given only to students in external-ulpan classes held in venues other than absorption centers, such as community and cultural centers. These ulpanim are largely attended by humanitarian migrants from the FSU.

As very few humanitarian migrants from Ethiopia attend external-ulpan classes, the exit-exam results for this population are not representative. In absorption center ulpan classes, students had been tested but curricula and tests varied from center to center and were not standardized. UIA has been working with the GOI Ministry of Education on this matter and in September 2005 the Ministry instituted a pilot of national, standardized curricula and testing. Standardized testing will be instituted gradually in all absorption-center ulpan classes. UIA will report on test results in the final 2006 report when a number of test results from various locations should be available for comparison.

PROGRAM A-5: YOUTH ALIYAH—UNACCOMPANIED MINORS

Program Evaluation:

1. Na'aleh: A three-year program for unaccompanied minors that provides education, maintenance and care for participants. While in Israel, these youth study in a JAFI-sponsored education program intended to provide them with a secondary education.

Program Goal: The immediate program goal is for Na'aleh participants to complete a three-year, secondary-education program.

Program Assessment: An appropriate measure of the program's success is the percent of participating students who complete the program.

Performance Indicator: UIA and JAFI, in consultation with their program partners (the GOI Ministry of Education and the Ministry of Immigration and Absorption) have established a performance indicator that properly reflects the purpose of the program. **(II.1, III.1)**

For G/Y 2005, the performance indicator for participants who began this program in G/Y 2003 and completed it in G/Y 2005 was established at an 80% completion rate.

Table E below shows that 85% of the participants who began this program in G/Y 2003 and completed it in G/Y 2005.

Table E:

Student Participation in the Na'aleh Program

# Entering Grade 10		# Completing Grade 12		% Completing Grade 12
G/Y 2003	453	G/Y 2005	386	85

Dropouts in most cases are students whose parents have removed them from the program, because of security concerns. It should be noted that when participants show signs of difficulty in keeping up with their studies, resources, such as tutoring, are provided to help them.

2. Selah: A one-year program that is designed for 17 to 18 year-old unaccompanied minors who are already high-school graduates. Selah, (a Hebrew acronym for "Students before Parents") includes an intensive ulpan and courses that prepare students for entrance into post-secondary educational institutions. As unaccompanied minors, they reside in absorption centers. The program includes intensive Hebrew-language studies and programs to facilitate their integration into Israeli society.

Program Goal: The immediate program goal is for Selah participants to complete a one-year, post-high school program that prepares them for university-level education or technological programs in Israel.

Program Assessment: An appropriate measure of the program's success is the percent of participating students who complete the program.

Performance Indicator: For G/Y 2005, the performance indicator for participants who began and completed this program in G/Y 2005 was established at an 83% completion rate.

Table E below shows that 84% of the participants began and completed this program in G/Y 2005.

Table F:

Student Participation in Selah Program

G/Y	# Starting	# Completing	% Completing
2005	493	414	84

PROGRAM A-7: TRANSITIONAL ASSISTANCE

Program Evaluation: A key ingredient to successful integration into any society is successful employment. Program A-7 is intended to provide participants with the necessary skills to secure employment in Israel, where the labor market may differ substantially from that of the participant's country of origin.

Program Goal: The immediate goal of Program A-7 is to provide participants with an educational background and/or vocational skills that will aid them to secure employment in Israel.

Program Assessment: An appropriate measure of the program's success is the percent of participating humanitarian migrants who successfully complete the course in which they are enrolled.

Status: UIA has chosen the Kedma and Auto Mechanics programs for evaluation and will be adding evaluations as the opportunity arises in the future.

Vocational Training Programs Offered by JAFI:

1. Kedma: This program is offered in cooperation with the Ministries of Education and Immigration & Absorption. It is designed for Ethiopian humanitarian migrants who lack a high-school education but display academic potential and high levels of motivation. A ten-month program, Kedma provides participants with high-school equivalency, making them eligible for Ministry of Labor training programs. Participants reside at an absorption center for the duration of the program.

Performance Indicator: For G/Y 2005, the performance indicator for this program was established at a 95% completion rate after consultation with JAFI.

In G/Y 2005, Kedma courses were completed in six absorption centers. Table G below shows that 95% of the participants began and completed this program.

Table G:

Student Participation in Kedma

Absorption Center	# Starting	# Completing	% Completing
Arad	41	39	95
Carmiel	46	44	96
Hadera	48	47	98
Ibim	40	37	93
Kfar Saba	40	38	95
Nitzana	48	45	94
TOTAL	263	250	95

2. Auto-Mechanics Course: Offered to humanitarian migrants living in absorption centers as well as those participating in direct absorption, this program is being supported by JAFI, the Ministry of Immigration & Absorption, the Ministry Labor, and the Israel Association of Garage Owners. Participants with a technical background are interviewed prior to immigration. For many, it is a second career because their previous occupational backgrounds may not be relevant in Israel. The 22-month program entails an extended language

program, including professional Hebrew, classroom lectures and on-the-job training. In cooperation with the Association of Garage Owners, on-the-job training takes place at a trainee's future place of employment, facilitating a smooth transition from training to employment.

Status: Evaluation was commissioned of the Auto-Mechanics Course, aimed primarily at FSU humanitarian-migrants. The research included examination of the goals of the program, assessment of the effectiveness of the course, whether the program is achieving its goals and whether graduates are finding employment in the field.

Note: In order to concentrate efforts on vocational programs connected directly to specific future employers, where future employment is assured and costs lower, JAFI will discontinue funding participation of this program during F/Y 2006.

Performance Indicator:

For G/Y 2005, the performance indicator for this program was set at a 75% completion rate. Table H below shows the start and completion of the Auto Mechanics Course in Hadera, which began in G/Y 2003. 71% of the participants completed the program during that period.

Table H:
Student Participation in Auto-Mechanics Courses in Hadera

Community	# Starting	# Completing	% Completing
Hadera 1	40	27	68
Hadera 2	45	33	73
TOTAL	85	50	71

The research has shown that, of those who completed the course in Hadera in January 2004, only 44% of graduates were employed in the profession. However, almost all were employed in a related field.

PUBLICITY

This section describes the publicity and public affairs activities of United Israel Appeal, Inc., for the year ended September 30, 2005, relating to the requirements in Section 5.3 Publicity of the 2005 US Grant Agreement. Expenditures in this category are conservative; grant agreement requirements are fully met, but no grant funds are expended for public relations purposes.

Both UIA and its operating agent, JAFI, publish financial statements that are widely distributed in the United States and Israel. The US grant is included in these financial statements.

United Israel Appeal and the Jewish Agency for Israel continue to provide briefings to members of the US Senate and House of Representatives, and to professionals representing government and voluntary organizations. Considerable attention has been focused on the Jewish Agency's absorption programs. Every opportunity has been utilized to interpret the purpose and function of the unique program developed to assist humanitarian migrants in their absorption process. Most visitors have been able to visit one of the absorption centers and speak with members of the UIA and Jewish Agency staffs and, in some instances, the humanitarian migrants themselves. Most visitors who have been able to participate in a presentation have found the experience helpful to their understanding of the grant and the absorption program.