



The Palestinian Center for the Independence of the
Judiciary and the Legal Profession

"Musawa"

Annual Report

Administrative & Financial

2013



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Chairman's Message

Out of a dream of a Palestinian state based on justice and the rule of law, MUSAWA was born. We did our utmost to make this dream become reality. The love and connection we have with our homeland and the Palestinian people motivated us to work persistently and determinately to establish MUSAWA. Our hard work embedded MUSAWA over the last ten years as an important partner in the Justice System as the only monitoring organization in Palestine, through monitoring and documenting the violations of the rule of law, human rights and good governance. We maintained neutrality and professionalism in influencing legislations and developing the culture of law. We contributed in raising the legal awareness of hundreds of Palestinian legal people and developed our institutional structure to enhance our ability in order to achieve our goals.

Despite all the political, economic and legal obstacles MUSAWA faces, we continue to work and to deliver our message with professionalism, neutrality, integrity and credibility to enable the Palestinian people to shape their destiny and go towards a bright future.



Lawyer Mr. Yousif Bakhtan



MUSAWA's Partners' Quotes

- **Rafeeq Natsheh / Head of the Anti-Corruption Commission:** MUSAWA plays an effective and sensitive role in legislation matters. This independent organization has exerted great effort to complete what is missing of the Palestinian legislation, adjust what is needed to be adjusted and add what is needed to be added, and we cooperate with it without limits.
- **Abdulghani Eweiwi / Prosecutor General in Ramallah:** The relation between MUSAWA and the prosecution is based on three pillars; communication, mutual respect and participation. MUSAWA has become a companion to the Prosecution and helps us to reach a lot of complaints that are addressed immediately.
- **Hussein Shabaneh / Chairman of the Bar Association:** MUSAWA's objective is to achieve justice and raise lawyers' legal awareness. MUSAWA achieves this through its different activities that we participate in.
- **Hussein Abu Hannoud / Legal Researcher:** MUSAWA is a key element in the detection of deficiencies and errors, and its interventions contribute to resolve a lot of cases in the Palestinian justice system"
- **Sheikh Saleh Abu Zeid / Judge of the Supreme Sharia Court and a member of the Sharia Supreme Judicial Council:** MUSAWA is an organization which spreads the slogan of the rule of law, and therefore we are supporting them in this direction. MUSAWA is an important companion in the Sharia Judicial system.
- **Judge Thuraya Alwazir / Head of the Judicial Institute:** MUSAWA as an independent body which has a role in bringing together different points of view in the justice sector and in addressing the problems with objectivity.
- **Dutch Ministry of Foreign Affairs / Main donor of MUSAWA:** Musawa's clear expertise in the field of rule of law and the independence of the judiciary and legal professionals made them an important actor in Palestinian civil society.



MUSAWA's Family

Lawyer Yasser Jaber

Economist Samir Barghouthi

Lawyer Shireen Sharawi

Lawyer Nidal Abu Farha

Chairman of BOD
Lawyer Yousif Bakhtan

Lawyer Fayza Shaweesh

Lawyer Fahd Shweiki

Lawyer Ghassan Massad

Lawyer Rana Wasef

PR Manager
Barbara Sabitzer

Reem Zubeidi - Communications Officer

Executive Director
Lawyer Ibrahim Barghouthi

Programs Manager
Nour Asfour

Shurooq Abu Qare - Project Coordinator

Hamdi Hussein - Project Coordinator

Husni Barghouthi - Project Coordinator

Yara Abu Sido - Project Coordinator

Mo'men Hattab - Project Coordinator

Finance & Admin Manager
Nasser Khmour

Haitham Krunz - Accountant

Majd Abed - Driver

Watfa abdalla - Receptionist





MUSAWA at a Glance

MUSAWA's Vision

Towards a state of justice and rule of law in Palestine

MUSAWA's Mission

To contribute to state building through empowering the separation of powers, rule of law, and defending the independence of the Judiciary and the legal profession

MUSAWA's Strategic Objectives

- To contribute in reducing violations of the rule of law / control over the performance of the pillars of justice
- Standardization, development and modernization of legislation
- Raise societal legal awareness and enable societal groups, especially the marginalized to become aware of their legal rights

MUSAWA's Values

Integrity & Responsibility
Independence & Self Administration
Professionalism
Teamwork



Progress Achieved by MUSAWA in 2013

Over the past year, MUSAWA has succeeded in overcoming weaknesses in its institutional structure and has continued to expand departments within the organization, especially the Public Relations and Media department; and the Program department. The plan for 2014 includes staff training programs and also introduces amendments to the Strategic Plan for 2014, 2015 and 2016.

The organization signed a cooperation agreement with the Foreign Ministry of the Netherlands that will fund a significant portion of MUSAWA's financial requirements for 2013, 2014 and 2015. MUSAWA also signed a cooperation agreement with the European Union to implement a project defending human rights defenders during 2014 to 2016. MUSAWA's executive management is maintaining effective interaction with other funding parties. MUSAWA will continue working with the UNDP; there is also advanced dialogue with other donors, such as the HR & IHL Secretariat that replaced the NDC, and the Canadian Representative Office. The Board of Directors hopes that this dialogue will succeed in bringing additional financial

support to enable MUSAWA to achieve its new strategy for 2014, 2015 and 2016.

MUSAWA has succeeded in assuming a leading position as a partner in the justice system and in developing relations with the judiciary, the public prosecution, the Bar Association, the President's Office, legislative personnel in the government, the Sharia judiciary, the Anti-Corruption Commission and the Central Elections Commission. MUSAWA has achieved major success in this field and has been asked for its legal opinion on various draft laws by the parties involved in the government's Legislative Plan and the General Secretariat of the Cabinet.

The media spokesperson of the High Judicial Council signed a cooperation agreement with MUSAWA to assist in the successful implementation of the third Legal Monitor by enabling judges and court employees to complete the questionnaires for the Legal Monitor without any interference. The public prosecution, High Judicial Council and the Sharia judiciary have agreed to exchange experiences with MUSAWA by assigning several judges to con-



tribute to MUSAWA's training program, while MUSAWA has organized training for judges and members of the public prosecution. MUSAWA's request to select a new General Secretary for the Central Elections Commission was met and a memo of understanding was reached between MUSAWA and the Anti-Corruption Commission. MUSAWA has also contributed towards preparing the strategic plan for the justice system.

MUSAWA still has major tasks ahead in order to achieve its mission and goals and win public confidence. We are a private, independent monitoring commission that has positive relations with official and private organizations on the basis of professionalism, independence and effectiveness. MUSAWA plays a leading role within the

network of NGOs and in the technical committee that prepared the self-assessment report on Palestine's performance in combating corruption. MUSAWA has distinguished relations with international organizations, including the Arab Anti-Corruption Network and the Swiss Federal Institute. MUSAWA has broadened its relations and networks with Arab and international legal experts, who assist in achieving MUSAWA's goals, developing the skills of Palestinian legal professionals, and enhancing the rule of law. We look forward to greater cooperation within the family of MUSAWA; its general assembly, Board of Directors, its executive team, the 'Lawyers for the Rule of Law' group and friends of MUSAWA to work as one team to achieve the noble goals of MUSAWA.



Projects and Activities

MUSAWA expresses its gratitude for the support it received:



Core Funding



An agreement was signed to implement the Human Rights Defenders Project



Adopted Anti-Corruption Project, the Legal Monitor, a capacity building project and the sustainability of MUSAWA



Funded the activities related to the rights of disabled people in cooperation with "Aswat" Association



Participated in supporting some of MUSAWA's legal aid cases



Funded most of the activities related to anti-corruption



MUSAWA at the Institutional Level

MUSAWA underwent notable growth in 2013 by filling staff vacancies in its main center in Ramallah and in Gaza. MUSAWA established a Public Relations and Media Department and a Programs Department and is working to complete the institutional structure of the Programs Department. A training scheme for employees was endorsed and a strategy has been adopted for 2014-2015. An executive plan specifies the activities for implementation in 2014 as defined in agreements signed with the Dutch Foreign Ministry and the European Union; MUSAWA has mobilized its connections with donors to cover the requirements of the strategic plan for this period of time.

BOD Meetings

The first board meeting: February 9 – all members of the board attended the meeting, which was devoted to the selection of a chief editor for Justice and Law magazine and another chief editor for the publication Eye on Justice; a license is required from the Ministry of Information for these two publications. The head of the board of MUSAWA, lawyer Yousef Bakhtan, was

appointed as chief editor of Justice and, while the Executive Director Ibrahim Barghouthi was appointed as chief editor of Eye on Justice. A special budget was allocated to each publication and the Ministry of Information was notified of the financial allocations to each publication and the names of the chief editors; the meeting decided to pursue the licensing procedures as requested by the Ministry of Information.

The second board meeting: May 11 – all members of the board attended the meeting to discuss the annual administrative report and audited financial report for 2012, including MUSAWA's financial situation and potential financial prospects for the implementation of its plan. The memo of understanding between MUSAWA and the Swiss Federal Institute was also discussed. The meeting explored means to develop Justice and Law and Eye on Justice following the approval of licenses for the two publications. Other items on the agenda included the fifth Palestinian Justice Conference, MUSAWA's budget for 2013, and institutional and employee requirements. Discussions took place on the means by



which MUSAWA should communicate with official departments and the situation of the “Lawyer’s for the Rule of Law” group. The meeting endorsed the administrative and financial reports of 2012 and transferred them to the general assembly for ratification in the presence of an external accounts auditor.

A decision was taken to form a committee from the general assembly and the Board of Directors to approve the cases handled by MUSAWA through the legal assistance program and to define the criteria by which cases are selected. It was also decided to form a committee to select experts for nomination by MUSAWA for training or research purposes or for legal assistance. It was also decided to send a letter to the Swiss Federal Institute regarding working procedures for the memo of understanding and the possibility of transforming Justice and Law magazine into a specialized journal if the financial situation permits. The meeting set the date for the fifth Palestinian Justice Conference and addressed adherence to executive regulations on the recruitment of employees in line with personnel regulations. The salary scale was amended and linked to the exchange rate (maximum of 4.25 and a minimum of 3.55) in accordance with staff contracts. Memos of complaint sent by MUSAWA were endorsed on condition that they are signed by the complainants and that the head of the board or his

deputy reviews them before sending them. Finally, it was decided to maintain contacts with the group “Lawyer’s for the Rule of Law” to encourage their activities.

The third board meeting: June 1 – it was attended by seven of the nine board members. The meeting discussed financing agreements, the need for MUSAWA to employ a programs director, MUSAWA’s correspondence and ratifying the themes of the fifth Justice Conference.

The fourth board meeting: October 29 – it was attended by seven of the nine board members. The meeting discussed administrative matters in the organizational structure of MUSAWA, its strategic plan and the selection of experts to be assigned to produce brochures, studies and legal research.

General Assembly Meetings

The first meeting of the general assembly: May 11 – the meeting was attended by 15 of the 27 members of the general assembly. The meeting discussed the administrative report, the audited financial report of 2012, the financial situation of MUSAWA and potential support for its strategic plan, and the memo of understanding signed with the Swiss Federal Institute. Suggestions were made regarding Eye on Justice and Justice and Law following the issuance of licenses for these



publications. The decisions taken by the Board of Directors during its meeting on May 11, 2013 were endorsed. After deliberations on the financial report and the letter of the external auditor, the report was approved unanimously; the administrative report was also ratified.

Upon receipt of funding from the Dutch Foreign Ministry, the Strategic Plan was reviewed and assessed for three days by MUSAWA's employees, members of the board and the general assembly, supervised by an external expert. The funding plan and MUSAWA's strategy were also reviewed and approved for 2014, 2015 and 2016.

Evaluation and Adjustment of MUSAWA's Strategy

Funded by the Ministry of Foreign Affairs of the Netherlands the Strategic Plan was evaluated in a three days retreat by employees and members of the BOD and GA under the supervision of an external expert. In addition, the financing plan and the logical framework of MUSAWA's strategy were reviewed and adopted for the years 2014, 2015 and 2016.

Success Story

Following a request made by MUSAWA in Eye on Justice (edition 15) pertaining to employees of the High Judicial Council who are accused of corruption, the head of the High Judicial Council issued a decision to suspend the employees in question until a final sentence is issued.



MUSAWA's Activities according to Objectives

Reduction of Violations of the Rule of Law Monitor the Performance of the Pillars of Justice

Through monitoring, documenting and addressing all obstacles that prevent the proper application of the rule of law, using different legal tools and mechanisms

Eye on Justice

Edition No. 14 – February:

One thousand copies were printed in Arabic and 500 copies of an English summary. The edition included issues such as: A judge must not be honored while serving in the judicial system; A citizen appeals to the Justice Minister to get his rights from a judge holding a senior position; Illegal refusal of the public prosecution to register complaints from the public; Judicial appointments: improvements versus loopholes; The President responds positively to MUSAWA's request and ends the debate on the Justice Minister assuming the post of Attorney General; as well as Awaiting the Bar Association elections in Gaza, sub-committees of the Bar Association and adopting proportional representation in the elections.

Edition No. 15 – August:

One thousand copies were printed in Arabic and 500 copies of an English summary. The edition included issues such as: Nude body search goes beyond the limits of jurisdiction; Problems of Sharia judiciary still await legal solutions; Will the Fatwa and Legislation Department be dissolved?; Adoption of a new legal principle issued by the Court of Cassation in its general assembly on judicial transfers; A success story: membership cards for non-practicing lawyer's Raising legal awareness of lawyer's in Gaza is on MUSAWA's agenda; A basic legal mistake; A controversial request and sentence; and other news about the justice system.

Success Story

The President responded to requests by MUSAWA from several memos, including a joint memo with the Bar Association, on the need to retain the Fatwa and Legislation Department as a public commission with financial and administrative independence.



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العدالة والقانون



Reduction of Violations of the Rule of Law

Monitor the Performance of the Pillars of Justice

Justice and Law Magazine

Edition No. 19 – February:

One thousand copies were printed in Arabic. The edition included legal studies and researches on the legitimacy of electronic contracts; Guarantees of the right to defense; Courses in law school's and their impact on the performance of the Justice system; judicial systems; as well as the role of judicial inspection in addressing loopholes in judicial performance. All studies and researches are authored by judges, academic experts and lawyers. This edition commented on six sentences issued by the High Court, which is assuming the authorities of a higher constitutional court until such a court is established. It also includes the sentences related to an appeal against the constitutionality of the Revolutionary Penal Law in criminal trials and the Revolutionary Penal Code, both issued by the PLO in 1979. Other chapters address two

sentences issued by the High Court; the first regarding an appeal against a decision by the Cabinet on the merging of local councils; the second dealt with transfers and appointments in public posts. Two other sentences issued by the Court of Cassation related to two appeals are also included; the first is a case of premeditated murder; the second relates to a sentence issued by the Court of Cassation in a civil appeal on the eviction of a tenant. This edition concluded with a chapter discussing legal dialogues that guarantee control over the authority of the President vis-à-vis required legislation. This chapter included commentary on a legal decree to amend the law for a Palestinian constitutional court by Counselor Dr. Abdul Aziz Salman, Head of the Commissioners' Body in the Egyptian Constitutional Court. Other commentary covered judicial reform in Jordan by lawyer Eva Abu Hala-weh; The media and its impact on the judge in a particular case by Counselor Dr. Saber Ghallab, Head of the Appeals Court in Egypt; The admissibility of reverting from



constitutional legitimacy to revolutionary legitimacy (a case study on the Egyptian revolution) by his Excellency Dr. Fathi Fikri in Egypt; and Judicial backlog: Causes and remedies by Judge Abdallah Ghezlan – High Court Judge and head of the Judges' Association.

Edition No. 20 – August:

One thousand copies were printed in Arabic. The edition included legal studies and research on the issue of the Israeli authorities in the Palestinian territories (occupiers without occupation); Protection of Palestine's cultural properties in international law; and Honor-related killings in Palestinian legislation and judiciary. All studies and researches are authored by judges, academic experts and law students. This edition also included commentaries on eight sentences, including three sentences issued by the High Court, which is assuming the authorities of the constitutional court, and commentaries on two sentences issued by the High Court on a ruling issued by the Court of Cassation. The edition concluded with a chapter on legal dialogues on various legal themes.

The Legal Monitor

MUSAWA reached an agreement with the High Judicial Council, Prosecution and court employees to complete the questionnaire for the third Legal Monitor report. This was based on an agreement between the High Judicial Council, Prosecution and MUSAWA on the design of the questions included in the questionnaire - this is the first agreement of its kind and represents a positive change in the position of the High Judicial Council towards the Legal Monitor; it constitutes a success story for MUSAWA. Based on this agreement, a joint committee was formed to supervise the procedures leading to the preparation of the report without any interference and in line with international practice in this field. The committee offered the tender to ALFA Company, which has now taken the first steps to implement the project through preliminary workshops and gathering information and comments.

Success Story

Following a request made by MUSAWA in Eye on Justice (edition 15) pertaining to employees of the High Judicial Council who are accused of corruption, the head of the High Judicial Council issued a decision to suspend the employees in question until a final sentence is issued.



Newsletter

A monthly news bulletin on the activities of MUSAWA are sent to donors, civil society organizations, relevant institutions and friends of MUSAWA.



Reduction of Violations of the Rule of Law Monitor the Performance of the Pillars of Justice Media

- **Radio Programs:**

Eye on Justice is a program that highlights the performance of the justice system and the role of official and private partners in achieving justice.

With support from the UNDP, eight episodes were broadcasted on the radio on the issue of combating corruption:

First episode: Building the awareness of students and the future generation of professionals on means to combat corruption.

Second episode: The role of working women and their efforts in combating corruption.

Third episode: Legal aspects of corruption.

Fourth episode: The activities and success stories of the Anti-Corruption Commission.

Fifth episode: A special episode on combating corruption – live program receiving questions from listeners.

Sixth episode: The role of the employee in combating corruption.

Seventh episode: Litigation procedures and special pardons and their impact in combating corruption.

Eighth episode: A proposed project by MUSAWA to combat corruption.

With support from the Dutch Foreign Ministry:

First episode: An episode on social media and human rights.

Three more episodes are under preparation and will be broadcast in 2014.



- **TV Programs:**

The TV program Eye on Justice' aims to inform the public about current issues related to the performance of the justice system and the partners in the Palestinian justice system. The episodes in the program cover several topics:

First episode: The NGO Law and its effectiveness in combating corruption in civil society organizations.

Second episode: To ensure it is not forgotten or violated: the Universal Declaration of Human Rights – social media and human rights.

Third episode: Means to end the crisis caused by the lack of a constitutional court and the difficulties of its formation in light of the internal political split.

Fourth episode: The need for a Sharia Bar Association.

A further eight TV episodes will be produced and broadcast in 2014; six episodes will be re-broadcast on Al Falastenyeh Satellite TV Channel.



• Promotional film:

A short film of around 15 minutes introducing MUSAWA and its activities and successes. The film is produced with support from the Dutch Foreign Ministry. MUSAWA has started preliminary production activities: interviews, the scenario and filming.

• Electronic banners:

The banners were published for the first time in October and will continue until the end of 2014 (with support from the Dutch Foreign Ministry) stating various opinions by MUSAWA on the performance of the justice system in Palestine.

تطوير الأنظمة المالية في القضاء مهمة وطنية
لا تحتمل التأخير وممانعة لانتشار الفساد



• Facebook page:

MUSAWA's Facebook page was established and the number of followers has steadily increased.



Success Story

MUSAWA responded to a request to review the Code of Conduct for the police and made several amendments in line with the goals and requirements of legislative drafting.





Reduction of Violations of the Rule of Law

Monitor the Performance of the Pillars of Justice

Conferences

- **The third Conference for the Independence of the Legal Profession and the Rule of Law**

The conference was funded by UNDP and entitled: "Training between Reality and Aspirations", took place via videoconference between Ramallah and Gaza in cooperation with the Bar Association. The conference was held in March and targeted 190 trainee lawyers from various parts of the West Bank and Gaza.

- **The first annual conference for mental disabilities:**

The Conference was held in March in cooperation with "Aswat" Association and the Swedish Individual Relief Organization supporting the Rights of Mentally Disabled People Entitled "Rights of Mentally Disabled People and Legal Mechanisms Available as Guarantees", the conference was attended by 150 participants and institutions working in this field. The conference was held at the

Best Eastern Hotel in Ramallah and was opened by "Aswat" Association, followed by a speech from MUSAWA's board given by Mr. Fahd Shweiki who stressed the importance of the joint project with "Aswat" Association. The project targeted capacity building of the Association, its staff and the relatives of mentally disabled individuals. Working papers were presented at the conference and participants made a number of recommendations and demands, including a call for the Palestinian Law for the Disabled People to be enforced and the need for mobile clinics to care for mentally disabled people wherever they reside. Calls were also made for a card to be issued for disabled that would entitle them to a package of services from the Social Affairs Ministry. MUSAWA and "Aswat" Association sent a memo of these demands to the President, who instructed the government to work on meeting them: this is a success story for MUSAWA.



- **The fifth annual Palestinian Justice Conference:**

The conference was supported by UNDP. Held on June 25, 2013 in Ramallah, the fifth annual Justice Conference was attended by 130 legal and community figures. The title was "The Palestinian Political and Legal System: The Accession of the Palestinian State to the United Nations / more than ten years after the establishment of the Basic Law". Eleven papers were presented in three sessions: the first session reviewed the political and legal system and the extent to which it meets the requirements of the modern state. The second session discussed the performance of the justice system, the national need for judicial reform and the requirements and means for this from the perspective of the main institutions of the justice system. The final session discussed the public prosecution and its relationship with the executive and judicial authorities.

- **In a seminar on December 10 entitled "Human Rights and Social Media in Palestine",**

MUSAWA celebrated the annual day of the Universal Declaration of Human Rights in partnership with the EU, Birzeit University and Journalists without Borders. The celebration took place at the Saeed Khoury building at Birzeit University.

Success Story

The Council of Ministers requested MUSAWA's opinion on the first draft of the Civil Service Law (March 20) and responded positively to its proposal to shelve or postpone the issue.



Legal Intervention

In 2013 MUSAWA gave legal assistance to a number of cases through joint funding by NDC and UNDP, including two administrative cases dealing with appeals against decisions to dismiss civil servants and a third case dealing with demands for laborers' rights.

Success Story

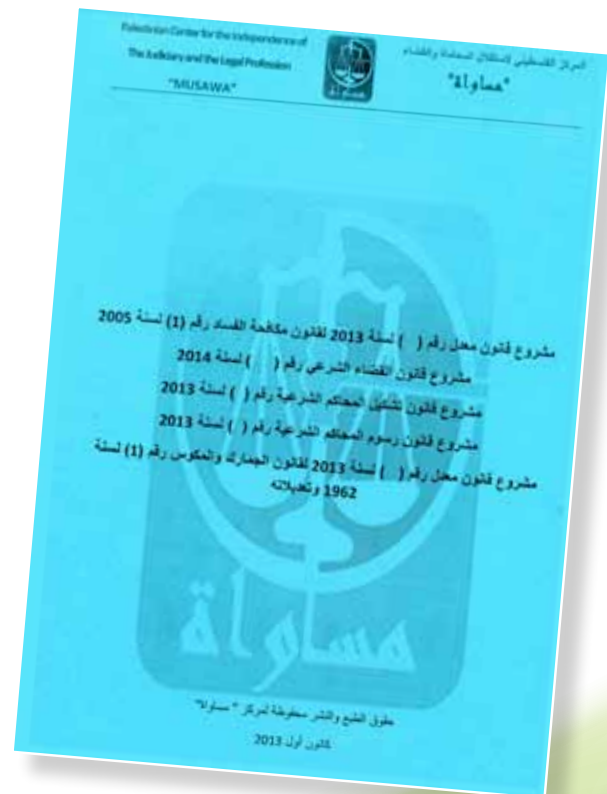
MUSAWA received a response to the draft law amending the Anti-Corruption Law which was sent to the head of the Anti-Corruption Commission, the legal advisor to the President and the general legislative coordinator for the government. Draft laws on the formation of the Sharia courts and the fees of Sharia courts were also sent to the High Council for the Sharia judiciary, the legal advisor to the President and the general legislative coordinator for the government. The President's Office sent a letter to the head of the High Council for the Sharia judiciary drawing his attention to these draft laws and requesting that he take appropriate legal steps. The draft law suggestion amending Anti-Corruption Law was referred to the Advisory Board of Anti-Corruption Commission to take the suitable legal action.



Influencing the Palestinian legislator and improving the standard of laws in the justice system by developing, unifying and modernizing legislation:

Proposals for draft laws, amendments, annulments or new legislation: MUSAWA prepared a program of new draft laws

1. A draft law for the administrative judiciary
2. A draft law amending the Anti-Corruption Law
3. A draft law on the formation of Sharia Courts
4. A draft law on fees of Sharia courts
5. A draft law on the Sharia judiciary
6. A draft law amending the law on customs and excise



Raising legal awareness in the community and building the capacities of legal professionals in accordance with international standards:

Specialized training courses

Legal Clinics:

With support from the Swedish Individual Relief Organization, several free legal clinics were held related to the project to build the capacities of Aswat Association.

Training Program for Lawyers:

A training program for both practicing and trainee lawyers with support from the Ministry of Foreign Affairs of the Netherlands. On October 5, MUSAWA started the first three-month training course targeting practicing and trainee lawyers (six hours per course). The program in Ramallah included the following:

| Date | Title | Target Group (males) | Target Group (Females) |
|--|--|----------------------|------------------------|
| 5 th of October | Case Management and Code of Conduct | 26 | 16 |
| 19 th of October | Factors that Constrain Litigation | 28 | 16 |
| 26 th of October | Methods of Civil Appeals | 40 | 22 |
| 9 th of November | Insurance Law | 40 | 22 |
| 16 th of November | The Insurance Law to calculate compensation for injuries | 34 | 20 |
| 23 rd of November | Detention and Release on Bail | 46 | 24 |
| 30 th of November | Settlement Court: Jurisdiction and Litigation Procedures | 50 | 27 |
| 7 th of December | Customs Courts and Income Tax Appeals Court | 29 | 14 |
| 21 st of December | Labor Injuries and Removal of Common Ownership of Land | 34 | 16 |
| 28 th of December | Juvenile Law | 38 | 20 |
| Training Program for Practicing and Trainee Lawyers (The Ministry of Foreign Affairs of the Netherlands) | | | |





Success Story

For the first time, a civil society organization organized a training program for judges.

For the second time, MUSAWA organized a training course for members of the public prosecution.

For the first time a civil society organization organized a course for lawyers conducted by judges.



Other Training Courses

| Date | Title | Place | Target Group | Funder |
|--|---|----------|-----------------------------------|-------------|
| 18 th , 19 th and 20 th of August | Moot Court (to demand labor rights as a result of a labor injury) | Ramallah | 21 practicing and trainee lawyers | UNDP |
| 28 th and 29 th of August | Moot Court (Honor Killings) | Ramallah | 26 practicing and trainee lawyers | UNDP |
| 28 th and 29 th of August | Moot Court (Labor Injury Case) | Gaza | 25 practicing and trainee lawyers | UNDP |
| 10 th of December | Communication, Lobbying and Advocacy | Gaza | 30 practicing and trainee lawyers | Netherlands |
| Other Training Courses | | | | |

Special training on Anti-corruption with support from the UNDP:

On October 24, MUSAWA commenced the first training course in the project to combat corruption. This included the following training courses (each course lasted for three days – seven hours per day):

| Title | Place | Target Group | Participants |
|--|----------|--|--------------|
| Anti-Corruption, International Models | Ramallah | Administrative personnel from ministries, government institutions, the Anti-Corruption Commission, judges and members of the public prosecution <i>Success Story</i> | 95 |
| Role of the Palestinian Media in Fighting Corruption: Between Reality and Ambition | Ramallah | Students from Birzeit University Media Institute, al-Quds University and the Modern College. | 40 |
| The Role of the Palestinian Media in Anti-Corruption | Gaza | Students from various Palestinian universities in the Gaza Strip | 30 |
| Anti-Corruption Procedures in Palestine | Ramallah | Students from the Law Institute at Birzeit University, al-Quds University and the Modern College | 60 |
| Anti-Corruption Procedures in Palestine | Gaza | Students from law faculties at universities in the Gaza Strip | 35 |
| Responsibilities of the Civil Servant in Fighting Corruption | Ramallah | Female ministry employees | 40 |
| Training Program on anti-Corruption (UNDP) | | | |



Success Story

Judge Abdullah Ghizlan, who is commissioned to investigate a dispute between the Bar Association, the public prosecution and the police regarding the arrest and search of lawyers suspected of possessing drugs, declared that the procedures of arrest and search are illegal and that the police and public prosecution violated the law. MUSAWA commends this ruling by Judge Ghizlan and refers to it in the 15th edition of Eye on Justice in August 2013.

Success Story

The legal department of the President's Office asked the Justice Ministry, the High Judicial Council and Birzeit University to prepare a legal analysis on the operation of the Sharia Higher Court in response to MUSAWA's memo. Mr. al-Ouri stressed that the President's Office is working on reorganizing the Sharia judiciary and bringing its status in line with the law. Al-Ouri praised MUSAWA's memo and its role in enhancing justice and the rule of law in Palestine. Mr. al-Ouri called on MUSAWA to participate in the committee to draft and study the Personal Status Law.



Raising legal awareness in the community and building the capacities of legal professionals in accordance with international standards:

Publication of studies and training manuals

Study

A study entitled "Dissolution of the PA and its impact on the judiciary in Palestine was published, funded by UNDP

Brochures

Funded by the Ministry of Foreign Affairs of the Netherlands

1. General Rules in Administrative Cases
2. Rights of the Defendant before Law Enforcement Parties
3. Women's Sharia Rights

Legal Studies

1. Problems of Judicial Inspection
2. Problems of Structure and Authorities in Customs Courts
3. Status of Academic Legal Education and its Impact
4. The Role of Legislative Flaws in Facilitating Corruption



Lobbying and Advocacy

Workshops and Round Table Discussion

MUSAWA held several workshops on a variety of topics concluding with recommendations for submission to decision makers for approval and legal enactment. The workshops targeted the group “Lawyers for the Rule of Law” and other relevant parties:

| Activity | Date | Title | Place |
|--|-----------------------------|---|----------|
| Workshop | 3 rd of January | Rights of Disabled people (Mental Disabilities) | Ramallah |
| Workshop | 22 nd of January | Rights of Disabled people (Mental Disabilities) | Ramallah |
| Workshop | 30 th of January | Rights of Disabled people (Mental Disabilities) | Tolkarem |
| Workshop | 5 th of February | Rights of Disabled people (Mental Disabilities) | Nablu |
| The Swedish Individual Relief Organization | | | |

| Activity | Date | Title | Place |
|------------------------|-------------------------------|--|-------------|
| Workshop | 15 th of September | Sound Justice in Light of Judicial Formations 2013- 2014 Vision of Lawyers | Nablu |
| Workshop | 22 nd of September | Professional Code of Conduct of Judges and Lawyers | Jenin |
| Workshop | 22 nd of September | Penal Court Procedures | Hebron |
| Workshop | 22 nd of September | Rights of Divorced Women | Ramallah |
| Workshop | 26 th of September | Code of Conduct of the Legal Profession | Tolkarem |
| Workshop | 1 st of October | Rights of Divorced Women | Nablu |
| Round Table Discussion | 10 th of October | Relationship between the Lawyer and the Judge | Gaza |
| Round Table Discussion | 21 st of October | Activation of Lawyers for the Rule of Law Groups | Ramallah |
| Round Table Discussion | 27 th of October | Sharia Judiciary Problems | Ramallah |
| Round Table Discussion | 30 th of October | Sexual Harassment and Honor Killings | Khan Younis |
| Workshop | 26 th of November | Women's Sharia Rights | Khan Younis |
| Focus Group | 24 th of December | Discussing the Sharia Judiciary Draft Law | Ramallah |



| | | | |
|--|------------------------------|---|----------|
| Round Table Discussion | 9 th of November | Discussing the Law for Formation of Sharia Courts and Draft Law for Sharia Court Fees | Gaza |
| Round Table Discussion | 9 th of November | Discussing the Law for Formation of Sharia Courts and Draft Law for Sharia Court Fees | Ramallah |
| Round Table Discussion | 10 th of November | Discussing the Draft Law for Formation of Sharia Courts and Fees | Ramallah |
| The Ministry of Foreign Affairs of the Netherlands | | | |

• **With support from the Anti-Corruption Commission:**

MUSAWA signed a memorandum of understanding with the Anti-Corruption Commission to implement workshops related to Anti-Corruption and to prepare specific draft laws related to Anti-corruption:

| Activity | Date | Title | Place |
|----------------------------|-------------------------------|--|-------------|
| Workshop | 23 rd of May | Obstacles that prevent effective efforts against corruption | Jenin |
| Workshop | 30 th of June | Obstacles that prevent effective efforts against corruption | Ramallah |
| Workshop | 3 rd of July | Obstacles that prevent effective efforts against corruption | Bethlehem |
| Workshop | 24 th of September | Towards amending the Anti-Corruption Law | Bethlehem |
| Workshop | 19 th of September | Anti-Corruption Law and the need for amendment | Gaza |
| Workshop | 9 th of October | Towards amending the Anti-Corruption Law | Ramallah |
| Round Table Discussion | 9 th of October | Anti-Corruption Law and the need for amendment | Khan Younis |
| Round Table Discussion | 31 st of October | Discussing the Anti-Corruption Draft Law | Gaza |
| Workshop | 5 th of November | The role of the Anti-Corruption Commission and its tools: between reality and aspirations | Tolkarem |
| Workshop | 6 th of November | The role of the Anti-Corruption Commission and its tools: between reality and aspirations | Hebron |
| Workshop | 12 th of November | The role of the Anti-Corruption Commission and its tools: between reality and aspirations | Ramallah |
| Workshop | 12 th of November | The Anti-Corruption Commission: Its formation, authorities and role; and international principles in combating corruption under the UN Agreement | Khan Younis |
| Discussion Meeting | 13 th of November | Discussing a draft law amending the Anti-Corruption Law | Ramallah |
| Workshop | 14 th of November | The Anti-Corruption Commission: Its formation, authorities and role; and international principles in combating corruption under the UN Agreement | Gaza |
| Anti-Corruption Commission | | | |



Lobbying and Advocacy

Legal Memos

Legal memos aim to draw the attention of Palestinian decision makers to violations of the law and highlight the appropriate means available to enforce the law in the best possible manner in accordance with international standards.

1. A memo regarding the problems of the Sharia judiciary: MUSAWA sent a written memo on August 26, 2013, to the President's legal advisor, Mr. Hasan al-Ouri, regarding problems that the Sharia Judiciary continues to face. MUSAWA later found out that the legal department of the President's Office requested the Justice Ministry, the High Judicial Council and Birzeit University to prepare a legal analysis of the operations of the Sharia Supreme Court in response to MUSAWA's memo. Mr. al-Ouri informed MUSAWA that the President's Office is working on reorganizing the Sharia judiciary and bringing its status in line with the law. Al-Ouri praised MUSAWA's memo and its role in enhancing justice and the rule of law in Palestine. He called on MUSAWA to participate in the committee to draft and study the Personal Status Law. MUSAWA also sent a memo to the President regarding the problems facing the Sharia Supreme Court.
2. A memo on the secondments of judges to other courts was sent by MUSAWA to the High Judicial Council. The memo objected to the transfer of judges for a period exceeding one year as this violates the law.
3. A memo sent by MUSAWA about employees of the High Judicial Council who are accused of corruption. The memo was sent to the Anti-Corruption Commission praising its role in exposing these cases in the judicial apparatus. MUSAWA asked the High Judicial Council to lift the immunity of those accused and enable the public prosecutor in the Commission to investigate these cases. Following the investigation and transfer of the accused's files to the Anti-Corruption Commission, MUSAWA was successful in securing the suspension of these individuals by the High Judicial Council, pending a final sentence being passed.
4. A memo regarding the Fatwa and Legislation Department was sent by MUSAWA in cooperation with the Bar Association to the President's legal advisor,



Mr. Al-Ouri, calling for this department to be retained due to its importance in monitoring legislation prior to ratification.

5. A memo was sent to the General Secretary of the Central Elections Commission to highlight the illegality of the Prime Minister holding the post of General Secretary of the Central Elections Commission as this may influence the Commission's neutrality.
6. A memo from MUSAWA on the rights of disabled people was sent to the President urging him to adopt measures that guarantee the rights of the disabled and integrate them into society.
7. MUSAWA sent a written memo to the High Judicial Council, the President's legal advisor and the Attorney General regarding the illegal release of a detainee. The Executive Director of MUSAWA met

Success Story

Following a memo from MUSAWA, the government halted discussions on legal aid and called on all relevant parties, including civil society organizations, to discuss the draft law once again.

with the Supreme Judicial Council and the judicial inspection department to discuss the offense committed by the head of a court who released a convicted individual in violation of the law. The relevant parties promised the Executive Director of MUSAWA to remove the judge from his post as head of a court and take measures to prevent the repetition of such an offense.

Success Story

As a result of a complaint received by MUSAWA from non-practicing lawyers, MUSAWA sent a memo to the Bar Association calling on them to grant non-practicing lawyers a special membership card. The head of the Bar Association responded positively, on condition that these lawyers pay a fee of 50 Jordanian dinars (JD) for the membership card. MUSAWA sent a second memo requesting a reduction in the fee and the Bar Association reduced the fee to 20 JD



The Palestinian Center for the Independence of the Judiciary
and the Legal Profession
(MUSAWA)

Independent Auditor's Report
and
Financial Statements
31 December 2013



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Independent Auditor's Report

**To the Board of Directors of
 The Palestinian Center for the Independence of the Judiciary and the Legal Profession
 (MUSAWA)
 Ramallah**

Report on the financial statements

We have audited the accompanying statement of financial position of **The Palestinian Center for the Independence of the Judiciary and the Legal Profession (MUSAWA) (Not for Profit Organization)** as of **31 December 2013** and the related statement of activities, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 117 applicable to not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Center. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **The Palestinian Center for the Independence of the Judiciary and the Legal Profession (MUSAWA)** (*Not for Profit Organization*) as of 31 December 2013, the results of its operations, and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 117 applicable to Not-For-Profit organizations.

A handwritten signature in blue ink that reads "Saba & Co." with a stylized flourish at the end.

Saba & Co.

Ramallah
3 April 2014

Statement - A

**The Palestinian Center for the Independence of the Judiciary
and the Legal Profession (MUSAWA)
Statement of Financial Position
As of 31 December 2013**

| | | 2013 | 2012 |
|--|------|------------------|----------------|
| | Note | U.S. \$ | U.S. \$ |
| Assets | | | |
| Cash on hand and at banks | 3 | 107,551 | 40,658 |
| Prepaid expense and other debit balances | 4 | 9,150 | 11,188 |
| Property, plant and equipment, Net of accumulated depreciation | 5 | 57,556 | 59,855 |
| Pledges receivables | 6 | 1,275,429 | 107,092 |
| Total Assets | | 1,449,686 | 218,793 |
| Liabilities and Net Assets | | | |
| Liabilities: | | | |
| Payables and accruals | 7 | 30,345 | 13,181 |
| Reserves for employees' end of service indemnity | 8 | 51,667 | 42,661 |
| Total Liabilities | | 82,012 | 55,842 |
| Net Assets : | | | |
| Unrestricted net assets | | 15,741 | 5,679 |
| Investment in property, plant and equipment | | 57,556 | 59,855 |
| Temporarily restricted net assets | 12 | 1,294,377 | 97,417 |
| Total Net Assets - (Statement - C) | | 1,367,674 | 162,951 |
| Total Liabilities and Net Assets | | 1,449,686 | 218,793 |

See Notes to Financial Statements

Statement - B

**The Palestinian Center for the Independence of the Judiciary
and the Legal Profession (MUSAWA)**

**Statement of Activities
For the Year Ended 31 December 2013**

| | Note | Temporarily | | Total | |
|--|--------|----------------|------------------|------------------|------------------|
| | | Unrestricted | Restricted | 2013 | 2012 |
| | | U.S. \$ | U.S. \$ | U.S. \$ | U.S. \$ |
| Operating revenues: | | | | | |
| Grants and donations | 12 | - | 1,657,869 | 1,657,869 | 142,817 |
| Other revenues | | 5,911 | - | 5,911 | 19,721 |
| Total operating revenues | | 5,911 | 1,657,869 | 1,663,780 | 162,538 |
| Net assets released from restrictions | 12 | 451,735 | (451,735) | - | - |
| | | 457,646 | 1,206,134 | 1,663,780 | 162,538 |
| Program expenses: | | | | | |
| Program expenses | 10, 11 | 183,333 | - | 183,333 | 140,788 |
| Total program expenses | | 183,333 | - | 183,333 | 140,788 |
| Support expenses: | | | | | |
| General and administrative expenses | 9, 11 | 254,522 | - | 254,522 | 241,726 |
| Depreciation | 5 | 10,244 | - | 10,244 | 11,211 |
| Loss from currency fluctuations | | 1,784 | - | 1,784 | 1,556 |
| | | 266,550 | - | 266,550 | 254,493 |
| Total expenses | | 449,883 | - | 449,883 | 395,281 |
| Increase (Decrease) in net assets during the year | | 7,763 | 1,206,134 | 1,213,897 | (232,743) |
| Write off grants receivable | 12 | - | (9,174) | (9,174) | (75,626) |
| Net Increase (Decrease) in net assets during the year (Statement - C) | | 7,763 | 1,196,960 | 1,204,723 | (308,369) |

See Notes to Financial Statements

Statement - C

**The Palestinian Center for the Independence of the Judiciary
and the Legal Profession (MUSAWA)
Statement of Changes in Net Assets
For the Year Ended 31 December 2013**

| | Unrestricted | Temporarily Restricted | Investments in Property, Plant and Equipment | Total |
|--|---------------|---------------------------|--|------------------|
| | U.S. \$ | U.S. \$ | U.S. \$ | U.S. \$ |
| <u>31 December 2013</u> | | | | |
| Net Assets at beginning of year | 5,679 | 97,417 | 59,855 | 162,951 |
| Change in net assets during the year | 7,763 | 1,196,960 | - | 1,204,723 |
| Fixed assets additions | (7,945) | - | 7,945 | - |
| Depreciation expenses | 10,244 | - | (10,244) | - |
| Net Assets as at 31 December 2013 | 15,741 | 1,294,377 | 57,556 | 1,367,674 |
| <u>31 December 2012</u> | | | | |
| Net Assets at beginning of year | (6,579) | 406,833 | 71,066 | 471,320 |
| Change in net assets during the year | 1,047 | (309,416) | - | (308,369) |
| Fixed assets additions | - | - | - | - |
| Depreciation expenses | 11,211 | - | (11,211) | - |
| Net Assets as at 31 December 2012 | 5,679 | 97,417 | 59,855 | 162,951 |

See Notes to Financial Statements

**The Palestinian Center for the Independence of the Judiciary
and the Legal Profession (MUSAWA)
Statement of Cash Flows
For the Year Ended 31 December 2013**

| | <u>2013</u> | <u>2012</u> |
|--|------------------------------|-----------------------------|
| | <u>U.S. \$</u> | <u>U.S. \$</u> |
| Cash flows from operating activities: | | |
| Grants received from contributors | 479,854 | 413,624 |
| Other revenues | 5,911 | 19,721 |
| Cash paid to employees and suppliers | (410,927) | (429,078) |
| Cash provided from operating activities | <u>74,838</u> | <u>4,267</u> |
| Cash flows from investing activities: | | |
| Procurement of fixed assets | (7,945) | - |
| Cash used in investing activities | <u>(7,945)</u> | <u>-</u> |
| Increase in cash during the year | 66,893 | 4,267 |
| Cash on hand and at banks at beginning of year | 40,658 | 36,391 |
| Cash on hand and at banks at end of year | <u><u>107,551</u></u> | <u><u>40,658</u></u> |
| Adjustments to reconcile change in net assets to net cash provided from operating activities: | | |
| Change in net assets | 1,204,723 | (308,369) |
| Depreciation | 10,244 | 11,211 |
| Increase in reserves for employees' end of service indemnity | 9,006 | 6,958 |
| Increase (Decrease) in payables and accruals | 17,164 | (57,825) |
| (Increase) Decrease in pledges receivables | (1,168,337) | 355,080 |
| Decrease (Increase) in prepaid expenses | 2,038 | (2,788) |
| Total cash flows (used in) operating activities | <u><u>74,838</u></u> | <u><u>4,267</u></u> |

See Notes to Financial Statements

The Palestinian Center for the Independence of the Judiciary and the Legal Profession (MUSAWA)

Notes to Financial Statements For the Year Ended 31 December 2013

1. The Center:

The Palestinian Center for the Independence of the Judiciary and the Legal Profession (Musawa) is an independent civil society Not-For-Profit organization established on March 18th 2002 as part of an initiative by lawyers, former judges, and human rights advocates devoted to guaranteeing the independence of the judiciary and the legal profession through: monitoring and documenting violations; and treating the social, cultural, economic, and political obstacles that hinder the proper implementation of the independence of the judiciary and the legal profession.

2. Summary of Significant Accounting Policies:

The financial statements of The Palestinian Center for the Independence of Judiciary and the Legal Profession (MUSAWA) have been prepared on the accrual basis of accounting using the historical cost convention, and in conformity with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 117 applicable to Not-For-Profit organizations.

2.1 Adoption of new and revised International Financial Reporting Standards (IFRSs):

In the current year, The Center management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ending on 31 December 2013. The application of the new standards and interpretations has no effect on the financial position or the results of operations of the Center.

2. Summary of Significant Accounting Policies: (Continued)

2.2 Significant accounting policies followed are as described below:

- a. The Palestinian Center for the Independence of the Judiciary and the Legal Profession (MUSAWA) maintains its accounts in accordance with principles of fund accounting under which the net assets of the Center and changes therein are classified and reported as follows:
 - **Unrestricted net assets** - Net assets whose use by the Center is not subject to donor-imposed restrictions.
 - **Temporarily Restricted Net Assets** - Net assets whose use by the Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of the Center pursuant to those donor-imposed stipulations.
 - **Pledges Receivables** – Donations from private grants and contract agreements are recognized as they are earned through expenditures in accordance with the agreements. Any funding received in advance of expenditures is recorded as deferred contribution in the statement of financial position.
 - **Revenues** - are reported as increase in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decrease in unrestricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restrictions.
- b. **Property, Plant and Equipment**

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets ranging from 7% to 20%.

When the expected recoverable amount is less than the net book value, the fixed assets amount is reduced to the lower of the cost or net realizable value and the difference (if any) is included in the statement of activities.

The useful lives of these assets are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being as a change in estimate.

Property, plant and equipment are disposed off when there is no expected future benefit from the use of these assets.

2. Summary of Significant Accounting Policies: (Continued)

c. Reserve for Staff Benefits:

Severance Pay:

The Center provides for employees' severance pay by accruing for one month compensation for each year of service based on the last salary paid during the year.

d. Functional Expenses:

The Center allocates its expenses among its various programs and general administration. Expenses that can be identified with a specific program or administration are charged directly. Other expenses that are common to several functions are allocated between functions based on the best estimates and judgment of management.

e. Foreign Currency Transactions:

- The books of accounts are maintained in U.S. Dollar. Transactions which are denominated in foreign currencies other than U.S. Dollar are converted into U.S. Dollar equivalent at the spot exchange rate prevailing at the date of each transaction.
- Transactions and balances which are denominated or expressed in U.S. Dollar are presented at the actual U.S. Dollar received or paid.
- All other income and expenses in local currency are converted into U.S. Dollar equivalent at the average rate of exchange prevailing during the year.
- Property, plant and equipment, and related depreciation are translated at historical rates. Additions to cost were translated using the average rate of exchange prevailing during the year.
- Exchange differences arising from currency conversion are charged to the statement of activities.

f. Estimates and assumptions:

The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the date of the statement of financial position, and the reporting of revenue, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by the Center's management. Estimates used in the preparation of the financial statements are the assessment of useful lives of property, plant and equipment and all other provisions.

3. Cash on hand and at banks:**Composition:**

| | 31 December | |
|---------------------|--------------------|---------------|
| | 2013 | 2012 |
| | US. \$ | US. \$ |
| Cash on hand | 576 | 1,056 |
| Deposits with banks | 106,975 | 39,602 |
| | 107,551 | 40,658 |

4. Prepaid expenses and other debit balances:**Composition:**

| | 31 December | |
|-------------------|--------------------|---------------|
| | 2013 | 2012 |
| | US. \$ | US. \$ |
| Prepaid Rent | 8,750 | 8,600 |
| Staff Loans | - | 2,188 |
| Other receivables | 400 | 400 |
| | 9,150 | 11,188 |

5. Property, plant and equipment – Net of accumulated depreciation:**Composition:****31 December 2013:**

| | Furniture | Equipment | Vehicles | Total |
|--------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| | US. \$ | US. \$ | US. \$ | US. \$ |
| <u>Cost:</u> | | | | |
| Balance at beginning of year | 30,592 | 49,348 | 46,140 | 126,080 |
| Additions | - | 7,945 | - | 7,945 |
| <i>Balance at end of year</i> | <u>30,592</u> | <u>57,293</u> | <u>46,140</u> | <u>134,025</u> |

Accumulated Depreciation:

| | | | | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Balance beginning of year | 10,016 | 33,700 | 22,509 | 66,225 |
| Depreciation expenses | 1,834 | 1,488 | 6,922 | 10,244 |
| <i>Balance at end of year</i> | <u>11,850</u> | <u>35,188</u> | <u>29,431</u> | <u>76,469</u> |

| | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Net Book Value - 31/12/2013 | <u>18,742</u> | <u>22,105</u> | <u>16,709</u> | <u>57,556</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|

| | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Net Book Value - 31/12/2012 | <u>20,576</u> | <u>15,648</u> | <u>23,631</u> | <u>59,855</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|

6. Pledges Receivables:

| | Balance as of 1 January 2013 | Pledges During the Year | Received During the Year | Currency Variances Gain/(Loss) | Deduction /written off during the year | Balance as of 31 December 2013 |
|---|---|--|---|---|---|---|
| | USD | USD | USD | USD | USD | USD |
| UNDP - Capacity Building | 25,125 | - | (18,061) | - | (7,064) | - |
| NGO Development Center | 8,059 | - | (8,059) | - | - | - |
| Swedish Organization for Individual Relief (SOIR) | 2,643 | - | (2,139) | (504) | - | - |
| UNDP - 2012 | 71,265 | - | (71,265) | - | - | - |
| UNDP - Bridge | - | 39,696 | (37,586) | - | (2,110) | - |
| Ministry of Foreign Affairs of the Netherlands | - | 1,062,500 | (212,500) | - | - | 850,000 |
| NGO Development Center - 2013 | - | 110,000 | (88,000) | - | - | 22,000 |
| Anti Corruption Commission | - | 9,080 | (9,080) | - | - | - |
| UNDP - Anti-Corruption 2013 | - | 33,164 | (33,164) | - | - | - |
| European Commission - Human Rights Defenders | - | 403,429 | - | - | - | 403,429 |
| | 107,092 | 1,657,869 | (479,854) | (504) | (9,174) | 1,275,429 |

7. Payables and accruals:**Composition:**

| | 31 December | |
|--------------------|----------------------|----------------------|
| | 2013 | 2012 |
| | US. \$ | US. \$ |
| Accounts Payable | 24,545 | 7,431 |
| Accrued audit fees | 5,800 | 5,750 |
| | <u>30,345</u> | <u>13,181</u> |

8. Reserve for employees' end of service indemnity:**Composition:**

| | 31 December | |
|---|----------------------|----------------------|
| | 2013 | 2012 |
| | US. \$ | US. \$ |
| Beginning balance as of 1 January | 42,661 | 35,703 |
| Provision for the year | 12,483 | 11,249 |
| Less: Indemnities paid | (3,477) | (4,291) |
| Ending balance as of 31 December | <u>51,667</u> | <u>42,661</u> |

9. General and administrative expenses**Composition:**

| | 2013 | 2012 |
|--|-----------------------|-----------------------|
| | US. \$ | US. \$ |
| Salaries and related benefits | 174,671 | 167,559 |
| Stationery | 2,277 | 1,124 |
| Electricity and water | 2,849 | 2,743 |
| Postal, telephone and mail | 6,467 | 6,259 |
| Employees end of service indemnity | 12,483 | 11,249 |
| Bank charges | 698 | 374 |
| Subscription | 1,014 | 895 |
| Office rent | 15,285 | 14,635 |
| Hospitality and cleaning | 4,935 | 3,191 |
| Maintenance | 8,743 | 6,319 |
| Fuel and gas | 8,442 | 7,466 |
| Transportation | 1,631 | 931 |
| Medical and insurance | 5,649 | 3,488 |
| Advertising, printing and copying | 2,665 | 1,328 |
| Audit fees for projects and the Center | 5,800 | 8,238 |
| Expert fees | - | 4,969 |
| Cars license | 424 | 402 |
| Other miscellaneous expenses | 489 | 556 |
| | <u>254,522</u> | <u>241,726</u> |

10. Program Expenses

Composition:

| | <u>2013</u> | <u>2012</u> |
|-----------------------------|-----------------------|-----------------------|
| | <u>US. \$</u> | <u>US. \$</u> |
| Brochure and annual report | 5,060 | - |
| Base line survey | 7,500 | 35,267 |
| Eye on justice | 10,344 | 9,770 |
| Adopting two public cases | - | 3,750 |
| Law and justice magazine | 23,310 | 9,208 |
| Campaigning and networking | 424 | - |
| TV and radio program | 16,250 | 4,000 |
| Law drafting and amendment | 11,449 | 22,335 |
| Policies papers and studies | 11,950 | - |
| Regular workshop | 14,602 | 10,276 |
| Publications | 1,500 | 1,100 |
| Conferences | 14,123 | - |
| Capacity building - lawyers | <u>66,821</u> | <u>45,082</u> |
| | <u>183,333</u> | <u>140,788</u> |

11. Program and Administrative Expenses:

Program and administrative expenses by the nature of the expense are as follows:

| Expense Name | Public | Legal | Law Drafting | Capacity | Grand Total |
|-----------------------------------|---------------|----------------|--------------------------------|----------------|----------------|
| | Awareness | Monitoring | and Improvement Legislation | Building | |
| | USD | USD | USD | USD | USD |
| Advertising & Announcement | - | 459 | - | 300 | 759 |
| Audit Fees | - | 5,800 | - | - | 5,800 |
| Base Line Survey-Legal Monitoring | - | 7,500 | - | - | 7,500 |
| Brochures & Annual Reports | 5,060 | - | - | - | 5,060 |
| Capacity Building - Internal | - | 220 | - | 22,615 | 22,835 |
| Capacity Building - Lawyers | 455 | 3,439 | - | 40,092 | 43,986 |
| Cars License | - | 424 | - | - | 424 |
| Cleaning | 27 | 291 | - | 6 | 324 |
| Conference | - | 10,862 | - | 3,261 | 14,123 |
| Electricity | 343 | 2,127 | - | 268 | 2,738 |
| Employees Rewards | 4,948 | 5,229 | 3,640 | 4,118 | 17,935 |
| Eye on Justice | - | 10,344 | - | - | 10,344 |
| Fuel & Gas | - | 8,422 | - | 20 | 8,442 |
| Hospitality | 402 | 3,087 | - | 1,122 | 4,611 |
| Insurance - Assets | - | - | 1,526 | - | 1,526 |
| Interest & Bank Charges | 156 | 488 | - | 54 | 698 |
| Law & Justice Magazine | - | 23,310 | - | - | 23,310 |
| Law Drafting & Amendments | - | - | 11,449 | - | 11,449 |
| Lobby Activities | 424 | - | - | - | 424 |
| Maintenance | 753 | 5,599 | - | 2,391 | 8,743 |
| Media Services | 1,750 | - | - | - | 1,750 |
| Medical | 3,785 | - | 338 | - | 4,123 |
| Miscellaneous | - | 449 | - | - | 449 |
| Office Rent | - | 15,285 | - | - | 15,285 |
| Policies Papers (Studies) | 11,950 | - | - | - | 11,950 |
| Postage | - | 1,336 | - | - | 1,336 |
| Postal & Telecommunications | 1,314 | 3,817 | - | - | 5,131 |
| Printing & Copying | - | 69 | - | 85 | 154 |
| Publications | 1,500 | - | - | - | 1,500 |
| Regular Workshops | 12,009 | - | - | 2,593 | 14,602 |
| Salaries | 26,911 | 109,790 | 11,870 | 20,650 | 169,221 |
| Staff Training | - | - | 156 | - | 156 |
| Stationary | 115 | 2,163 | - | - | 2,278 |
| Subscriptions | 613 | 401 | - | - | 1,014 |
| Supplies, Materials & Equipments | - | 39 | - | - | 39 |
| T.V & Radio Programs | 13,000 | - | - | 3,250 | 16,250 |
| Transportation | - | 391 | 415 | 669 | 1,475 |
| Water | 18 | 93 | - | - | 111 |
| Grand Total | 85,533 | 221,434 | 29,394 | 101,494 | 437,855 |

12. Released from Temporarily Restricted Net Assets by Funding Source:

| Donor | Balance as of | Grants | Released | Grants | Balance as of |
|---|----------------------|------------------|--------------------|--------------------|----------------------|
| | 1 January | Committed | from | Written Off | 31 December |
| | 2013 | During | Restriction | During the | 2013 |
| | USD | USD | USD | USD | USD |
| UNDP- Capacity Building | 25,580.00 | - | (18,516) | (7,064) | - |
| Swedish Organization for Individual Relief (SOIR) | 10,255 | - | (10,255) | - | - |
| UNDP - 2012 | 61,582 | - | (61,582) | - | - |
| UNDP - Bridge | - | 39,696 | (37,586) | (2,110) | - |
| Ministry of Foreign Affairs of the Netherlands | - | 1,062,500 | (171,552) | - | 890,948 |
| NGO Development Center - 2013 | - | 110,000 | (110,000) | - | - |
| Anti Corruption Commission | - | 9,080 | (9,080) | - | - |
| UNDP - Anti-Corruption 2013 | - | 33,164 | (33,164) | - | - |
| European Commission - Human Rights Defenders | - | 403,429 | - | - | 403,429 |
| | 97,417 | 1,657,869 | (451,735) | (9,174) | 1,294,377 |

13. Financial Instruments, Fair values and Risks Management:

- **Fair Values of Financial Assets and Liabilities:**

The carrying book value of financial assets and liabilities are not materially different from their fair values at the date of the statement of financial position.

- **Operational Risk**

The costs of the programs, administrative as well as fixed assets procurements are fully financed by donors through donations. The management believes that the funding level in the year 2014 will be sufficient to finance all of its disbursements and will be consistent with the funding level in the prior years. Furthermore, the management believes that the political and economical conditions prevailing in the area will not materially affect its operations.

- **Credit Risk:**

The Palestinian Center for the Independence of the Judiciary and the Legal Profession (MUSAWA) credit risk is primarily attributable to its liquid funds and receivables. The credit risk on liquid funds is limited because liquid assets are placed with reputable financial institutions.

- **Currency Risk:**

Currency risk arises from the possibility that changes in the exchange rates may affect negatively the value of the financial assets and liabilities in case the Center does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.