January 18th, 2004

Holocaust Victim Assets Litigation
P.O.Box 8300
San Francisco , CA 94128-8300
U.S.A.

RECEIVED

JAN 28 2004

LEGAL SERVICES

Dear Sir,

Re : Notice of special master's interim report on distribution,
recommendation for Allocation of excess funds, and
request for proposals for Allocation of possible
unclaimed residual funds

In response to the above NOTICE we hereby submit our application for
the funding of the health and social needs of needy holocaust survivors
living in Israel.

Our enclosed application specifies the activities and services of the
Foundation, our qualifications and our response to all components to the
questions presented in "section III" of your NOTICE.

Should further information be required we will gladly provide it within
the shortest possible time.

We remain yours sincerely,

Wolf Z. Factor
Chairman

**FOUNDATION FOR THE BENEFIT OF
HOLOCAUST VICTIMS IN ISRAEL**

Registered Association Number 58-018-570-0

**APPLICATION FOR AID IN FUNDING THE
HEALTH AND SOCIAL NEEDS OF NEEDY
HOLOCAUST SURVIVORS LIVING IN ISRAEL**

Case Number CV96-4849 (ERK) (MDG)

In the matter of allocation of the Swiss Bank funds

December 2003

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Introduction

The Foundation for the Benefit of Holocaust Victims in Israel was established in 1994 by a group of Holocaust survivors who decided to devote their time and energies to improving the lot of their fellow survivors who live in Israel. In its decade of activity, the Foundation has garnered extensive and varied experience in identifying the fixed and varying needs of the survivors, and has built a professional organizational infrastructure for the regular provision of those needs all over Israel.

The Foundation is perceived today as the principal address – and in fact, almost the only address – for the tens of thousands of needy Holocaust survivors living in Israel who are in need of urgent assistance in purchasing essential medical and paramedical services and/or products.

Regrettably, there is a considerable gap between the Foundation's resources and the many needs, many of which can be met only partially, if at all. The data presented in this application are based mainly on three sources:

- a. Various surveys and publications of the Brookdale Institute.
- b. Official publications of Israeli authorities.
- c. The accumulated experience of the Foundation.

The document focuses largely on the needs of Jewish Holocaust survivors who live in Israel, and includes, in addition to up-to-date data and characteristics, estimated costs and recommendations with regard to the size of the allocation and its specific designation. In addition, and in order to provide a complete picture, detailed projections up to the year 2020 are included.

We note also that this document is set out to conform with the recommended guidelines in the request for proposals, and includes appendices of publications and/or documents on which it is based.

The population of Holocaust survivors

The estimated numbers of Holocaust survivors living around the world, and particularly in Israel, has become a focus of attention, and in recent months several reports have been published which attempt to assess the number of Jewish Holocaust survivors. It is important to note that there is no single central body responsible for registering Holocaust survivors; consequently, any estimate is based on partial data, assumptions and research methodologies, and the result obtained is therefore dependent on those assumptions and methodologies.

In October 2003, the Brookdale Institute* published a report (J. Brodsky, S. Be'er, Y Shnoor, *Holocaust Survivors in Israel: Home care needs, present and future* - Appendix F) that discusses Jewish Holocaust survivors who live in Israel. In the report, a Holocaust survivor is defined as a person who was living in one of the countries that was conquered by or came under the direct influence of the Nazi regime at any time between 1933 and 1945, and includes persons who fled during the Nazi conquest. Despite the definition, it does not include Holocaust survivors of Asian and African origin. The report estimates the number of Holocaust survivors living in Israel at the end of 2002 at 278,900, and based on various assumptions that appear in the report, projects that their number in 2004 will be 252,000, and in 2010 – 166,800 (see Table 1). Since this is a "closed" population subject to natural aging and mortality, we see the number of survivors decreasing. Nevertheless, it is estimated that the number of survivors still living in Israel in 2020 will be 50,000.

The Brookdale Institute report is traditional in its approach, and is based on numbers of Holocaust survivors living in Israel according to age groups. One of the important assumptions concerns the youngest age groups. The report assumes that the percentage of survivors among the younger age groups is much smaller (25%) than among the higher age groups. This assumption is based on a low survival percentage of babies and small children and a low percentage of children who fled. The Institute also investigated the effects of changing this assumption, and the result obtained increased the estimated number of

* The JDC-Brookdale Institute, established in 1974, is Israel's leading center for applied research on human services. Its mission is to use research to improve the quality of life for Israel's most vulnerable populations. The Institute is an independent, non-profit organization that is operated as a partnership between the Government of Israel and the American Jewish Joint Distribution Committee.

survivors living in Israel to 340,153 in 2002, 314,091 in 2004 and 225,482 in 2010. The report relates only to Jewish survivors from European countries.

Table 1: Estimated Holocaust Survivors Living in Israel, by Age Group (in Thousands, Year End)*

Year	Total	Age Group					
		Up to 59	60-64	65-69	70-74	75-79	80 and over
2002	278.9	5.8	14.6	56.4	61.0	70.2	71.0
2003	265.0	3.1	14.3	49.9	52.0	72.1	73.6
2004	252.0		14.6	43.3	48.7	67.0	78.4
2005	238.6		11.6	32.4	50.5	63.9	80.1
2006	224.1		8.6	23.9	51.7	56.3	83.5
2007	210.1		6.0	14.4	52.3	52.9	84.5
2008	195.9		3.2	14.0	45.9	45.2	87.6
2009	181.3			14.1	39.5	42.2	85.4
2010	166.8			11.1	29.5	43.7	82.5
2015	98.7				10.0	24.8	63.9
2020	49.1					8.4	40.7

* Does not include Holocaust Survivors from Asian and African countries. It is based on the assumption that the proportion of survivors aged 59 or younger is 25% of the proportion among people aged 60-64. Using an alternative assumption that the proportion of survivors aged 59 or younger is the same as among people aged 60-64, the number of European Holocaust Survivors living in Israel reaches 340,153 in 2002.

The population of Holocaust survivors in Israel has increased greatly in recent years, following the mass immigration from former Soviet Union countries, which commenced in 1990. Between 1990 and 2002, about one million persons immigrated to Israel from those countries, so that by the end of 2002, of the 811,300 who remained in the country, 138,400 were age 65+ (at that point of time). Immigrants from the former Soviet Union made up 41% of the total population of survivors at the end of 2002.

Two other reports published recently deal with the number of Jewish Holocaust survivors all over the world. The first is that of Professor DellaPergola, of the Institute for Present-Day Jewry at the Hebrew University of Jerusalem (Professor S. DellaPergola, *Review of Relevant Demographic Information on World Jewry - Appendix D*), published in November 2003, which estimates the total number of Jewish Holocaust survivors at 1,092,000 (see Table 2). The number of survivors living in Israel according to this report is 511,000. While Professor DellaPergola's report is based on official data published by Israeli authorities, the Brookdale Institute report is based additionally on the official data

from a survey that includes interviews with a representative sampling from the researched population. The main differences in the assumptions and method of calculation of the two reports are (a) that DellaPergola's data were calculated not on the basis of an interview that incorporated direct questions about time spent in countries under the Nazi regime on given dates, but on the basis of dates of birth and dates of immigration to Israel; and (b) that the estimated number of Holocaust survivors in the DellaPergola report also takes into account persons from non-European countries conquered by Germany during the Second World War, while these are not included in the Brookdale Institute data. Professor DellaPergola estimates that 47% of all Holocaust survivors live in Israel, 18% in western European countries, 16% in the U.S.A. and 13% in countries of the former U.S.S.R.

The other report is that of Ukeles, a consultancy firm (Ukeles Associates, Inc., *An Estimate of the Current Distribution of Jewish Victims of Nazi Persecution - Appendix E*), which was published in October 2003 and is a revised edition of an earlier report written by the same company. This report collects and collates findings from various sources in order to estimate the number of Jewish Holocaust survivors living around the world. Its conclusions are that in 2003 there were 687,900 survivors, of whom 265,000 live in Israel. The estimated number for Israel is based on the findings of the Brookdale Institute. According to the Ukeles report, 39% of Jewish survivors live in Israel, 22% in the former U.S.S.R., 18% in Europe and 16% in the U.S.A.

Neither the DellaPergola report nor the Ukeles report makes any projection for the future, but the proportion of Jewish Holocaust survivors living in Israel out of the total number must inevitably increase, due to such factors as the shorter life expectancy of those who live in the former U.S.S.R. (59.4 for men) compared with those who live in the U.S.A. (73.9 for men) and in Israel (76.6 for men) (WHO data – *Old Persons in Israel, Statistical Yearbook 2002*). Moreover, due to ongoing immigration, the proportion of Holocaust survivors in Israel will continue to increase as it decreases in the rest of the world.

Further support for this finding is seen in other research papers of DellaPergola (Professor S. DellaPergola, Uzi Rebhun, Mark Tolts, *Prospecting the Jewish Future: Population Projections, 2000-2080*, in D. Singer and L. Grossman (eds.), *American Jewish Year Book* 2000, Vol. 100, pp. 103-146).

Table 2 below shows the estimates of the various reports for the numbers of Jewish Holocaust survivors in Israel and in the rest of the world.

Table 2: Jewish Holocaust Survivors in Israel and other countries

	DellaPergola (2001)		Ukeles (2003)	
	Thousands	%	Thousands	%
Total	1,092.0	100.0	687.9	100.0
Israel	511.0	47.0	265.0	39.0
Europe	196.6	18.0 (western Europe)	123.8	18.0
U.S.A.	174.7	16.0	110.1	16.0
Former U.S.S.R	142.0	13.0	151.3	22.0
Other	67.7	6.0	37.7	5.0

The population of needy Holocaust survivors

The estimate of the number of Holocaust survivors living in poverty and need is a harsh one, not least because of the absence of a uniform index for measuring poverty. One can relate to economic poverty (for which various methods of measurement exist), but there is also poverty as a social definition. Poverty can also mean being in need of daily assistance due to disability, and other needs (Constance F. Citro and Robert T. Michael, editors, *Measuring a New Approach Poverty*, National Academy Press, Washington D.C., 1995).

The official poverty data for 2002 in Israel records 57% of elderly persons with an income below the poverty line.* In about 214,700 poor families where the head of the household is an elderly person, some 346,800 older persons lived below the poverty line (National Insurance Institute data, October 2003). According to the Brookdale Institute report, about 43% of persons over the age of 60 in Israel are Holocaust survivors. Assuming that the poverty rate among Holocaust survivors is no different to that of the general 60+ population in Israel, this means that 147,600 Holocaust survivors were living below the poverty line at the end of 2002. The social welfare system in Israel transfers money to low-income families (by transfer payments and direct taxes), and in this way reduces the poverty statistics. **After taking government support into account (old-age pensions and income supplements), the number of elderly persons living below the poverty line is 123,000, and the estimated number of Holocaust survivors among them is 52,300.**

The ongoing economic crisis in Israel has led the government to make cuts (in accordance with the "Economic Recovery Plan") in the welfare system and in allocations to the National Insurance Institute (NII). We note that the most recent cuts in the NII allocations are not yet fully reflected in the poverty data presented here, and that the extent of poverty will increase in the coming years. The paragraph below describes the cuts already made.

In real terms, the value of the pension benefits diminished by 4.2% between 2001-2002. Under the Economy Agreement Law in 2002, it reduced the average wage as defined in the National Insurance Law (for purposes of calculating benefits determined in the law as a percentage of average wages) to its 2001 level and froze it to this level. Thus, there was a

* The poverty line for a single elderly person in 2001 was 1,743 NIS (approximately US \$400).

further reduction of pension's benefits by 1.2% + non-adjustment. Further, under the Emergency Economy Program Law, pensions were reduced by an additional 4% in July 2002.

In addition, the rate of the pension benefit, like most social security benefit, was linked to the average market wage. Under the new economic program, benefits will be updated according to the rate of increase of the consumer price index, rather than to the average market wage (and this only after 2004). This means that in normal growth, over time, the relative value of the pension will diminish and it will increase the number of elderly under the poverty line.

As mentioned, there are different ways to measure poverty. So far we have presented estimates of the number of aged survivors who are living below the poverty line. But there are many elderly persons and survivors whose income level is slightly above the poverty line. 30% of all elderly persons in Israel receive income supplements, which are distributed to those who subsist on the low NII pension (1,069 NIS, or about \$245 per person) and who have no other source of income. This group actually represents elderly persons who live in conditions of poverty, and means that poverty among Israel's elderly population is about 30%.

Furthermore, the findings of the Brookdale Institute research (based on a survey of people aged 60+ conducted by the National Bureau for Statistics), reveal that in 1997/98, the income of more than 40% of Holocaust survivors living in the community in Israel 50% or less of the average income in that year.

Table 3: Incidence of poverty among the elderly in Israel and an estimate among Holocaust survivors (as at the end of 2002)

	The elderly in Israel*		Holocaust survivors**	
	Thousands	%	Thousands	%
Incidence of poverty (before transfer payments and direct taxes)	346.8	53%	147.6	53%
Incidence of poverty (after transfer payments and direct taxes)	123.0	19%	52.3	19%

This being the case, it can be stated that a considerable percentage of Holocaust survivors in Israel are experiencing extreme difficulty in financing the services of which they are in need as a result of aging, and in particular the needs that arise for assistance in the areas of health and daily activities. Furthermore and as already noted, the data does not fully reflect the severity of the situation caused by the changes in the welfare system already in place, as well as changes that are planned for the future: **cuts in old age pensions, an end to linkage of these pensions to the general standard of living, and drastic cuts in the system of government services.**

Two other statistics are also worthy of note: per capita production has risen in former Soviet Union countries, whereas in Israel it has fallen; and purchasing power in Israel against the US dollar is much lower than in former Soviet Union countries (The World Factbook 2003, US Government).

* As per NII data

** Assuming poverty among Holocaust survivors is similar to poverty in the general population of elderly persons in Israel.

The needs of Holocaust survivors living in Israel

The survivor population has aged to the extent that today, it comprises of mostly very old persons. More than 50% are over the age of 70 (see Table 1), and most of these (60%) are women. The survivors must cope with the challenges of old age, i.e. changes in health, functioning, social life, family life and mental condition. In addition, the aging process, which is accompanied by loss of family and friends, can also recall and magnify the crises of the past. Thus, it is important to devote attention to the special needs of survivors as they try to meet these challenges.

Health and functioning problems

In old age, health occupies a central place in a person's life. The incidence of chronic illness rises, as well as functioning problems that affect the quality of life. Particularly common among survivors are aching joints, including rheumatism and arthritis (57%), back, neck and shoulder problems (61%), high blood pressure (51%), respiratory problems (23%), cardiac problems (19%) and osteoporosis (18%).

The incidence of osteoporosis among Holocaust survivors is much higher than in the general population. The percentage among those survivors who were in concentration camps reaches 22%. It is therefore no surprise that the percentage of survivors who have reported a slipped disk is also high (18%), and that this figure rises to 25% among concentration camp survivors. The percentage reporting a broken thigh or hip among camp survivors is particularly high – 10%.

More than one quarter of all survivors (27%) have reported chewing problems (which can give rise to nutritional and health problems), vision problems (29%), and hearing problems (29%). Problems in these areas have obvious implications for the ability to function and for the quality of life.

The health system in Israel does not include in its basket of services many of the components relating to these problems. The national health insurance system in Israel does not cover dental treatment, the purchase of eyeglasses and hearing aids, wheelchairs, orthopedic shoes and other medical equipment required by some survivors. In addition, the

national health insurance basket of drugs is limited (and also requires a small co-payment), and survivors have no choice but to pay for their medications out of their own pockets.

The high cost of all these components prevents some survivors from obtaining the medical treatment they need for their illnesses.

The availability of help from family members

Family members are the main source of support. One phenomenon of old age is the loss of relatives, particularly the spouse. More than 40% of survivors are not married, and most are widows or widowers. There is a great difference in the family situation of men and women: about one fifth (21%) of the men are without a partner, compared more than half (56%) of the women.

Furthermore, about one quarter of all the survivors live alone. The percentage of women who live alone (32%) is 2.5 times greater than that of men (13%). Among survivors who were in concentration camps, the number living alone is as high as 35%. In contrast, those living alone among those who fled (mostly immigrants from the former Soviet Union) is much lower – 17%.

Most Holocaust survivors have children. Still, a considerable percentage (19%) does not, or they see them less than once a month.

In summary, we can say that there are many survivors who cannot rely on help from family members when the need arises.

Loneliness, depression and emotional needs

As the support network and social activity decline among some survivors, feelings of loneliness and depression increase. 36% felt loneliness (16% of them often). Among camp survivors the feelings of loneliness are higher – 43% (22% often). A considerable percentage (11%) report depression, and 44% report having been prescribed with a drug or medical treatment for this condition. Reports of depression are particularly high among camp survivors – 19%, and of these, 50% received drugs or other treatment.

Sleep disturbance is very common among Holocaust survivors, and harms their quality of life. It is particularly high among camp survivors – for example, 44% of all survivors report sleep disturbance due to worries, compared with 52% among camp survivors; about one quarter (24%) of survivors report routine nightly use of sleeping pills or tranquilizers, compared with 30% of camp survivors; 23% of survivors report difficulty in falling asleep (despite the sleeping pills, among those who take them), compared with 28% of camp survivors; 62% of survivors report waking several times during the night, compared with 70% of camp survivors.

Despite the feelings of loneliness and depression and the sleep disturbances of many of the survivors, only a small percentage (about 2%) avail themselves of mental health services. Clubs and day centers are intended to offer survivors opportunities to meet others and participate in activities. About one fifth (19%) use these facilities, but there are many more who would like to participate but for various reasons are unable to do so. The Brodsky and King research mentioned above has the following to say: One of the study's most salient findings is the wish expressed by victims of Nazi Persecution to participate in social activities and to receive emotional and social support. There is a need to expand social frameworks run by various public and voluntary organizations, some of which also provide emotional and social support services. The study also revealed additional areas where the disabled victims have unmet needs, and where there is a need to improve the availability of the relevant services (These include needs in the area of orthopedic equipment, safety aids in the homes of the disabled, and additional assistance in personal care, and household maintenance activities to those disabled in these areas).

In recent years, Israel has suffered terrorist attacks which have deeply affected the lives of the entire population. Among survivors, these effects are magnified: the existential fear of using public transport, going shopping, the media exposure of the results of terrorist attacks, hearing the sirens of ambulances and rescue services – all these take survivors back to the war and the events they experienced. Living in the shadow of terrorism today recalls the events of the past, causing a rise in fears, phobias, mental disturbance and regression, even among those survivors who have somehow managed to cope with them until now.

Activities of daily living - unmet needs

Clearly, living independently of disabled in their activities of daily living is the single most important factor for the elderly. Anyone who is limited in functioning need help that can be provided by family or by others from outside the family.

In Israel, most survivors live in the community, and only 5% live in long-term care institutions (about 14,100 in 2003) (J. Brodksy, S. Be'er, Y. Shnoor, *Holocaust Survivors in Israel: Home care needs, present and future*). The State provides aid for funding these institutions, which is allocated on the basis of a means test, so that much of the funding comes from the patients and their families. For example, in skilled nursing homes, patients and their families provide about 50% of the overall cost.

As noted, most of the survivors, including those who are disabled in some way, live in the community. Most help is provided by family members, who report a heavy care load that gives rise to emotional, health and financial difficulties for the entire family (Brodsky, Naon, Rozintzky, Gera, Morgenstein, Shmeltzer, JDC-Brookdale Institute and NII, about to be published).

The principal aid provided by the State for the disabled elderly in the community is reflected in assistance provided by the National Insurance Institute under the Community Long-term Care Insurance Law. This law, which has been in effect since 1988, mandates home care services to elderly people who are disabled in activities of daily living (ADL) such as bathing, incontinence, dressing, eating, and basic homemaking activities, such as preparing meals. Under the law, services are provided in kind for between 9.75 and 15.5 hours per week, depending on the elderly person's level of disability. Disabled elderly who are partially dependent on other people for assistance, receive up to 9.75 hours of assistance per week, which is considered 100% of the benefit, while the most severely disabled elderly, who are totally dependent on others for performing basic activities of daily living, receive 15.5 hours of assistance per week, which is defined as 150% of the benefit.

The Brookdale Institute report calculates an estimated number of Holocaust survivors who are entitled to aid under the Long-Term Care law, and for 2003 that estimate is 44,400, i.e. 17.7% of the 250,900 survivors living in the community.

Despite the assistance that ADL-disabled survivors receive from their family and from the formal services system, many of them have unmet needs in running a home and performing personal care, and require additional help. About half of the survivors (48%) are disabled in at least one such activity of daily living and reported a need for additional help and more than one third (36%) reported unmet needs.

To sum up – research findings indicate numerous unmet needs among Holocaust survivors who live in Israel. These can be in the realms of social, emotional or health needs and the provision of assistance in daily living activities. As noted, many of the survivors live in economic distress and need help to purchase the assistance they need. The Foundation for the Benefit of Holocaust Victims in Israel has an important role to play in meeting those needs, since its purpose is to fund the special needs of Holocaust survivors. The Foundation has the extensive experience and the sensitivity to meet the needs of the survivors, but regrettably, the lack of sufficient resources greatly limits its effectiveness in providing assistance for the very persons it was established to help.

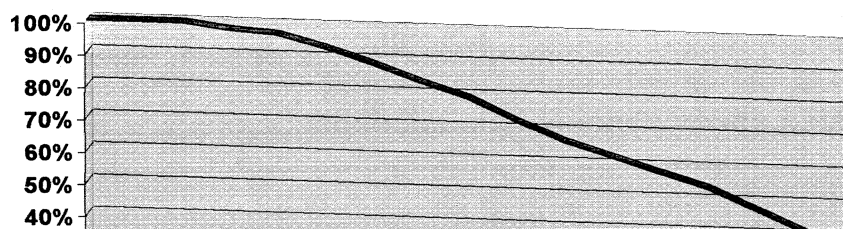
Recommendations for the allocation of funds for Holocaust survivors living in Israel

Over the past decade, the Foundation for the Benefit of Holocaust Victims in Israel has been providing assistance for needy Holocaust survivors in Israel. As part of its work, the Foundation commissioned research that would project the needs for its principal channel of activity – providing skilled nursing assistance for needy Holocaust survivors who are entitled to the highest level of such services from the National Insurance Institute.

The research was carried out by the Brookdale Institute, and reflects the estimated current and projected needs for home nursing care of Holocaust survivors in Israel. In consultation with the authors of the research, it was decided to adopt the projections concerning the rate of change in the number of needy Holocaust survivors entitled to nursing services, also for the other assistance channels proposed by the Foundation in this document. Accordingly, the chart below describes the rate of change between 2004* and 2020.

All financial data are presented regardless to the inflation and adjustment in the exchange rate.

Estimated Holocaust survivors eligible for the Foundation's assistance



Nursing Hours – Home Care

Holocaust Survivors eligible for the highest disability level (150%)

Existing channel of assistance

For the past six years, the Foundation for the Benefit of Holocaust Victims in Israel has provided 10 hours per week of home nursing care. This aid has helped elderly survivors stay at home – healthier and happier rather than living out their days in hospitals or institutions. In the last two years due to budget shortages, assistance has been reduced to 9 hours per week.

Variable	Description/Explanation			
Assistance description	10 nursing hours per week, in the survivor's home.			
Method of assistance	Leading nursing agencies in Israel, approved by the NII.			
Target population	Needy Jewish Holocaust survivors living in Israel, recognized by the NII as completely dependent on others (highest disability level).			
Criteria	<ul style="list-style-type: none"> • Holocaust survivor • Resident in Israel • Entitled to nursing care from the NII at the highest disability level 			
Cost of assistance	Year	No. of service recipients per year*	Annual cost per service recipient	Annual cost
	2004	8,640	\$4,000	\$34,560,000
	2005	8,640		\$34,560,000
	2006	8,640		\$34,560,000
	2007	8,480		\$33,920,000
	2008	8,400		\$33,600,000
	2009	8,080		\$32,320,000
	2010	7,680		\$30,720,000
	2011-2015	6,308		\$25,232,000
	2016-2020	4,090		\$16,361,600

* The estimated number of service recipients in 2004 is based on actual performance data in the 2003 assistance channel, weighing the expected growth as a result of incomplete exposure of the program among the target population.

Individual Grants

For Needy Holocaust survivors

Existing channel of assistance

This program helps needy survivors receive crucial medical treatments not covered by the national health law in Israel. These include dental treatment, hearing aids, eyeglasses, special medications, etc. In 2003, the Foundation disbursed individual grants to about 10,000 needy Holocaust survivors living in Israel. Budgetary constraints have compelled the Foundation to limit the number of grants per individual survivor to two (A restriction that does not exist in other countries). The Foundation is faced with numerous applications from survivors who have exhausted the two grants to which they were entitled. Although their health and sometimes their economic situation demands further benefits. This assistance channel will remove that barrier and enable any needy Holocaust survivor living in Israel to receive this special grant on a regular basis.

Variable	Description/Explanation			
Assistance description	Monetary grant given periodically, as reimbursement of medical and paramedical expenses.			
Method of payment	Direct transfer to the bank account of the applicant, against an original receipt.			
Target population	Needy Jewish Holocaust survivors.			
Criteria	<ul style="list-style-type: none"> • Holocaust survivor • Resident in Israel • Financially needy 			
Cost of assistance	Year	No. of service recipients per year	Annual cost per service recipient*	Annual cost
	2004	20,000	\$550	\$11,000,000
	2005	20,000		\$11,000,000
	2006	20,000		\$11,000,000
	2007	19,630		\$10,796,296
	2008	19,444		\$10,694,444
	2009	18,704		\$10,287,037
	2010	17,778		\$9,777,778
	2011-2015	14,602		\$8,031,019
	2016-2020	9,469		\$5,207,685

* The estimated Annual cost per service recipient is based on the today's maximum grant of 680\$ and the foundation's rich experience regarding real percentage of consumption.

Short-Term Nursing Hours

For Needy Holocaust survivors

Existing channel of assistance

For the past three years, the Foundation has funded a channel that provides a survivor with assistance in the home after a hospital stay. The Foundation receives applications for this type of assistance from hospitals all over the country, and approves 50 hours of nursing care for a survivor returning home from the hospital and in need of personal care. This is the only assistance of this kind available in Israel. Let it be noted that it takes the National Insurance Institute approximately eight weeks to process and approve an application for home nursing care.

Variable	Description/Explanation			
Assistance description	50 hours of nursing care in the survivor's home.			
Method of assistance	Leading nursing agencies in Israel, approved by the NII.			
Target population	Needy Jewish Holocaust survivors living in Israel, returning home after hospitalization and in need of assistance in daily activities in the home.			
Criteria	<ul style="list-style-type: none"> • Holocaust survivor • Resident in Israel • Financially needy • Recommendation of social worker and the hospital 			
Cost of assistance	Year	No. of service recipients per year*	Annual cost per service recipient	Annual cost
	2004	4,000	\$400	\$1,600,000
	2005	4,000		\$1,600,000
	2006	4,000		\$1,600,000
	2007	3,926		\$1,570,370
	2008	3,889		\$1,555,556
	2009	3,741		\$1,496,296
	2010	3,556		\$1,422,222
	2011-2015	2,920		\$1,168,148
	2016-2020	1,894		\$757,481

* The estimated number of service recipients in 2004 is based on actual performance data in the 2003 assistance channel, weighing the expected growth as a result of incomplete exposure of the program among the target population (the program is approximately three years old).

Emergency Response Buttons

For Needy Holocaust survivors

Existing channel of assistance

For the past eight years, the Foundation for the Benefit of Holocaust Victims in Israel has provided Holocaust survivors who live alone greater confidence and a sense of well-being that comes from the knowledge that help can be alerted at the press of a button. In addition, the Foundation also subsidizes the ambulance fee if the survivor has to be rushed to the hospital.

Variable	Description/Explanation			
Assistance description	An emergency response button (can be worn like a watch).			
Method of assistance	Leading service companies in Israel that operate emergency response service centers.			
Target population	<ul style="list-style-type: none"> • Jewish Holocaust survivors who live alone. • Jewish Holocaust survivors where one of the spouses suffers from a serious or chronic illness. 			
Criteria	<ul style="list-style-type: none"> • Holocaust survivor • Resident in Israel • Financially needy 			
Cost of assistance	Year	No. of service recipients per year*	Annual cost per service recipient	Annual cost
	2004	5,000	\$90	\$450,000
	2005	5,000		\$450,000
	2006	5,000		\$450,000
	2007	4,907		\$441,667
	2008	4,861		\$437,500
	2009	4,676		\$420,833
	2010	4,444		\$400,000
	2011-2015	3,650		\$328,542
	2016-2020	2,367		\$213,042

* The estimated number of service recipients in 2004 is based on actual performance data in the 2003 assistance channel, weighing the expected growth as a result of incomplete exposure of the program among the target population.

Supportive Community
For Needy Holocaust survivors
Existing channel of assistance

During the past year, the Foundation has operated a unique pilot program which provides financial help designed to keep needy Holocaust survivors in their community. These programs enable the Holocaust survivors to remain in their own homes, with emergency response buttons, and also to participate in social activities with others who live in the area. Other services include in the supportive community are: home maintenance, social worker services, and social activities at a day center.

Variable	Description/Explanation			
Assistance description	Annual subscription in a supportive community.			
Method of assistance	Associations or private companies.			
Target population	<ul style="list-style-type: none"> • Jewish Holocaust survivors who live alone. • Jewish Holocaust survivors where one of the spouses suffers from a serious or chronic illness. 			
Criteria	<ul style="list-style-type: none"> • Holocaust survivor • Resident in Israel • Financially needy 			
Cost of assistance	Year	No. of service recipients per year*	Annual cost per service recipient	Annual cost
	2004	6,000	\$125	\$750,000
	2005	6,000		\$750,000
	2006	6,000		\$750,000
	2007	5,889		\$736,111
	2008	5,833		\$729,167
	2009	5,611		\$701,389
	2010	5,333		\$666,667
	2011-2015	4,381		\$547,569
	2016-2020	2,841		\$355,069

* The estimated number of service recipients in 2004 is based on actual performance data in the 2003 assistance channel, weighing the expected growth as a result of incomplete exposure of the program among the target population.

Nursing Hours – Home Care

Holocaust Survivors eligible for intermediate disability level (4 -6 A.D.L)

Suggested new channel of assistance

In view of the Foundation's extensive experience in providing nursing services, there is a constant request from survivors entitled to 100% of the NII's assistance benefit for additional assistance. After numerous consultations (including with NII), it transpires that there is a group of entitled survivors graded between 4 and 6 ADL points who still need additional assistance. This program will provide that extra assistance.

Variable	Description/Explanation			
Assistance description	5 nursing hours per week in the survivor's home.			
Method of assistance	Leading nursing agencies in Israel, approved by the NII.			
Target population	Needy Jewish Holocaust survivors, recognized by the NII as in poor health (4-6 ADL points), and entitled to 100% benefit.*			
Criteria	<ul style="list-style-type: none"> • Holocaust survivor • Resident in Israel • Entitled to 100% nursing care from the NII at the level of 4-6 ADL points 			
Cost of assistance	Year	No. of service recipients per year*	Annual cost per service recipient	Annual cost
	2004	9,600	\$2,000	\$19,200,000
	2005	9,600		\$19,200,000
	2006	9,600		\$19,200,000
	2007	9,422		\$18,444,444
	2008	9,333		\$18,666,667
	2009	8,978		\$17,955,556
	2010	8,533		\$17,066,667
	2011-2015	7,009		\$14,017,778
	2016-2020	4,545		\$9,089,778

* There is no overlap between those entitled to assistance in this channel and the traditional channel of the Foundation.
The estimated number of service recipients in 2004 is based on NII data and the foundation's rich experience regarding real percentage of consumption.

Summary of the recommendations for the allocation of funds for Holocaust survivors living in Israel

		2004	2005	2006	2007	2008	2009	2010	2011-2015*	2016-2020*
Existing channels of assistance										
1	Nursing Hours For Holocaust Survivors eligible for the highest disability level (150%)	\$34,560,000	\$34,560,000	\$34,560,000	\$33,920,000	\$33,600,000	\$32,320,000	\$30,720,000	\$25,232,000	\$16,361,600
2	Individual grants	\$11,000,000	\$11,000,000	\$11,000,000	\$10,796,296	\$10,694,444	\$10,287,037	\$9,777,778	\$8,031,019	\$5,207,685
3	Short-term nursing hours	\$1,600,000	\$1,600,000	\$1,600,000	\$1,570,370	\$1,555,556	\$1,496,296	\$1,422,222	\$1,168,148	\$757,481
4	Emergency response buttons	\$450,000	\$450,000	\$450,000	\$441,667	\$437,500	\$420,833	\$400,000	\$328,542	\$213,042
5	Supportive community	\$750,000	\$750,000	\$750,000	\$736,111	\$729,167	\$701,389	\$666,667	\$547,569	\$355,069
	SUB TOTAL	\$48,360,000	\$48,360,000	\$48,360,000	\$47,464,444	\$47,016,667	\$45,225,556	\$42,986,667	\$35,307,278	\$22,894,878
Suggested new channels of assistance										
1	Nursing hours for Holocaust Survivor's spouses eligible for the highest disability level (150%)	\$5,200,000	\$5,200,000	\$5,200,000	\$5,103,704	\$5,055,556	\$4,862,963	\$4,622,222	\$3,796,481	\$2,461,815
2	Nursing hours for Holocaust Survivors eligible for intermediate disability level (4-6 A.D.L.)	\$19,200,000	\$19,200,000	\$19,200,000	\$18,844,444	\$18,666,667	\$17,955,556	\$17,066,667	\$14,017,778	\$9,089,778
	SUB TOTAL	\$24,400,000	\$24,400,000	\$24,400,000	\$23,948,148	\$23,722,222	\$22,818,519	\$21,688,889	\$17,814,259	\$11,551,593
TOTAL		\$72,760,000	\$72,760,000	\$72,760,000	\$71,412,593	\$70,738,889	\$68,044,074	\$64,675,556	\$53,121,537	\$34,446,470

*average annual cost

The recommended agency for distribution of the funds – The Foundation for the Benefit of Holocaust Victims in Israel

It is proposed that the Foundation for the Benefit of Holocaust Victims in Israel, the entity submitting this document, serve as the agency that will manage the distribution of the resources that will be allocated under the arrangement with the Swiss Banks for assisting needy Holocaust survivors living in Israel.

The Foundation has been operating intensively for the past ten years to provide social and health assistance for the tens of thousands of needy Holocaust survivors who live in Israel.

The experience and comparative advantage of the Foundation in providing assistance for needy Holocaust survivors in Israel

For several years, the Foundation has operated seven main assistance programs for needy Holocaust survivors¹:

- **Nursing hours** for survivors who are completely dependent on the assistance of others for performing daily tasks
- **Individual grants** for health needs and medical equipment
- **Emergency response buttons** for survivors living alone or survivors who suffer from a serious illness
- **Short term nursing hours** after hospitalization, beginning on the date of discharge from hospital for approximately two months
- **Exceptional assistance (Chairman's Fund)** for serious welfare cases or emergencies
- **Supportive community** (an experimental project for providing community services to survivors)
- **'Flower for a survivor'** — visits by high-school volunteers to lonely survivors in Tel-Aviv and Haifa

¹ For further information (including numbers of recipients, amounts and other data) about these programs, see Appendix A: Foundation's activity report for 2002, and Appendix B: Foundation's activity report for 2003.

While operating these programs, the Foundation has gained deep knowledge and unique experience in all aspects of providing assistance for needy Holocaust survivors. Below we list some of the main points that make up the Foundation's comparative advantage:

- **Locating the population of survivors in need of assistance**

Israel's survivor population is dispersed all over the country, and the Foundation offers its assistance no matter where they live. The needy survivors, their families and those with whom they come into contact, including welfare authorities, local authorities and the various Holocaust survivor organizations, all know the Foundation and its work, and apply to it for assistance.

- **Identifying the essential needs of the target population**

As we know, Holocaust survivors have their own special needs. Some of these needs are met by the national health law, the home care law, and the like. The Foundation commissions research in order to identify needs which are not appropriately met, as well as future needs.

- **Development of skills, professional contacts and comparative advantages in consolidating daily contact with the target population, both as a group and as individuals**

The Foundation has vast experience in meeting with needy survivors and their families. Its telephone center operates five days a week during working hours, providing information and help in the language of the caller; an extensive network of volunteers and social workers make house calls; a system of checking and controlling applications for assistance is in place (confirmation of the identity of the survivor and his/her financial-social-health situation).

- **Close and effective contact with the main providers of the services required by the survivors (nursing hours, emergency response buttons, etc.)**

The Foundation has a close working relationship with the managers of these companies and the workers in the field, and is familiar with their products. A computerized and controlled environment is in place for the orderly receipt of monthly invoices from the companies and making the payments regularly and securely.

- **The Foundation's economies of scale yield significant advantages of price for the services provided**

The Foundation is in close and constant contact with official institutions and relevant bodies, such as the National Insurance Institute, the national and private health systems, general hospitals, psychiatric hospitals, the sick funds, old age homes, geriatric institutions, etc., the local welfare authorities, the Ministry of Finance and the Office for Rehabilitation of the Disabled, and other relevant voluntary organizations.

- **Sophisticated and expert operative system**

The Foundation has established a system that includes a professional and administrative staff, which has become expert and experienced in dealing with Holocaust survivors. A dedicated computer system for handling and processing survivors' applications for social benefits.

- **Transparency, supervision and control**

The Foundation, which operates in an orderly fashion and in accordance with good management practice, is supervised and controlled by several authorities and bodies, among them – the Registrar of Associations, the Ministry of Finance, the Registrar of Information Centers and the tax authorities. Internal control mechanisms include an active board of public management, an audit committee, an outside auditor, and internal auditor and a legal counsel, all of whom monitor the activities of the Foundation on a regular basis. A team of social workers makes house calls to the survivors who have been assisted by the Foundation, to verify the needs described in the applications. The Foundation publicizes its activities by means of notices in the press advising of the possibility of receiving assistance, it notifies welfare agencies and survivors organizations of the services it can offer, and publishes and distributes an annual programmatic and financial report of its activities, including data about the sources and uses of its funds and details about its administration.

- **Longstanding contact and cooperation with the Claims Conference**

The Claims Conference selected the Foundation to serve as the principal agency in Israel for providing assistance to needy Holocaust survivors. Through and/or on the recommendation of the Claims Conference, the Foundation has also received allocations from other bodies:

- ◇ Looted Assets Class of the Swiss Banks Settlement

- ◇ The Humanitarian Fund of the International Commission of Holocaust Era Insurance Claims (ICHEIC)
- ◇ The Humanitarian Fund of the German Foundation "Remembrance, Responsibility and the Future"

We note that the Claims Conference maintains close and regular supervision of the activities of the Foundation and how the allocations are used.

- **Representation for survivors and their organizations on the Foundation's board of public management**

The General Meeting of the Foundation and its committees consists of Holocaust survivors who serve as public representatives and as representatives of the dozens of survivors' organizations in Israel.

- **The sole purpose of the Foundation is to assist needy Holocaust survivors in Israel**

The Foundation was established by Holocaust survivors for Holocaust survivors. The sole purpose of the Foundation, as prescribed in its founding documents and as implemented in practice, is – "Helping Holocaust survivors in Israel in every possible sphere... providing medical and social, psychological and economic assistance..."

Unlike other bodies, which have additional and different purposes and operate a wider range of activities, the Foundation focuses solely on providing assistance for survivors. There is therefore no question that all the funds allocated to the Foundation will be used for their designated purpose: assistance for needy Holocaust survivors living in Israel.

- **Good reputation and widespread recognition in Israel**

Against the background described above, the Foundation has earned a sterling reputation in Israel for looking after needy Holocaust survivors. The Foundation is the address for needy survivors whose problems cannot be resolved by any other body. We wish to emphasize that this reputation stands in good stead when problems arise or new needs come to light: matters such as these are diverted to the Foundation by the survivors themselves, or by the welfare authorities, the media, members of the Knesset and private entities.* In addition, the Foundation initiates and is active in organizing

* One example is the "Short-term Nursing" program, which has been operated by the Foundation for the past three years, providing an immediate response for the survivor returning home after hospitalization. The program came into being following the requests of several survivors who work as social workers in several governmental hospitals.

conferences and day-seminars that deal with the problems of needy Holocaust survivors in Israel.

- **Administrative expenses involved in operating the assistance programs**

Based on the Foundation's extensive experience, which includes the operation of a range of large-scale assistance programs for needy Holocaust survivors (see the audited financial statements for 2002 – Appendix C), we estimate that for operation of the programs as set out in this document, the resources required for financing the necessary administrative expenses will be about 5% of the total aid funds.

In view of the aforesaid, we believe that the Foundation for the Benefit of Holocaust Victims in Israel is worthy of serving as the agency for operating the assistance channels that will be supported by funds from the Swiss Banks arrangement which are designated for assisting needy Holocaust survivors.

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