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Proposed Strategy for the Development of the Palestinian NGO Sector

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Executive Summary

1. This strategy is intended for the broad range of non-governmental organizations in Palestine. The initiative to prepare this strategy came from the Project Management Office (PMO) of the Palestinian NGO (PNGO) Project of the World Bank in preparation for the third phase of PNGO. However, the strategy is not intended to be a strategy of the PMO for PNGO III only. It is crafted to address the alleged weaknesses of NGOs and the expectations of stakeholders of the role that they should play in responding both to current problems as well as long-term concerns. It is expected that implementation will be a collaborative undertaking by different stakeholders.

2. The **objectives** of this study are:
    - *To define the current context of development and the situation of NGOs in Palestine.*
    - *To determine what major stakeholders (government, private sector, donor agencies, local and international NGOs, CBOs, intellectuals in the academe) see as the challenges that the nation will face in the next 3 years and the role that they expect NGOs to play in meeting these challenges.*
    - *To propose a strategy that will enable NGOs to perform the role expected of them in the next 3 years.*
    - *To identify resources and institutional arrangements that will be needed to implement this proposed strategy.*

3. The study was undertaken through a combination of review of related literature, stakeholder interviews and focus group discussion (FGD) among NGOs. Interviews were conducted among key informants from government, private sector, academe, donors and international NGOs who were available during the period. A strategy framework was presented to stakeholders to obtain their feedback on the suggested key elements of the strategy before this draft strategy was prepared.

Key Findings

4. **The current socio-political, economic situation in Palestine.** Stakeholders expect that **Israeli occupation** will continue to be the main challenge in the next 3 years. They expect **weak governance** to be a primary concern as the Palestinian National Authority struggles to establish a functioning bureaucracy under an environment of intense political factionalism and scarce resources. They foresee **increasing demand for basic services** as a consequence of a **deteriorating national economy.** They expect increasing **poverty and unemployment** and fear that these will all lead to **social fragmentation**.

5. **Weaknesses of NGOs.** NGOs and stakeholders who were interviewed pointed to the growing negative **impact of aid** which has apparently made NGOs an extension of donors. They also feel that NGOs have become **inefficient** because the funds they receive are not commensurate to the services they provide and that they duplicate government services. There is also concern about **competition among NGOs**, **lack of transparency and accountability** and a **lack of (inability to articulate) strategic vision**. There are numerous concerns about NGOs being **disconnected from the community** and of **becoming too political** (engaging in electoral politics). More strategically, there were concerns about **leadership** where bigger NGOs are becoming

personality oriented and that there are no deliberate leadership succession programs. There are fears that there are hardly any efforts to address the issue of **sustainability of NGO work** even as donor funds continue to dwindle and as the demands for greater NGO role in development intensifies.

6.   **Expected roles of NGOs.** Despite these criticisms, stakeholders look up to NGOs to perform a vast range of responsibilities. They are expected to **assert and advance national sovereignty** while continuing to **deliver basic services**. They are expected to **strengthen civil society** and **promote dialogue and interaction** to preserve the social fabric of Palestinian society. NGOs are also expected to champion **people empowerment** in the face of weak governance*.*

Proposed NGO sector development strategy

7.   The **goal** of this strategy is to: **enable NGOs to strengthen civil society's role in asserting and advancing national sovereignty, nation-building and sustainable development of Palestine.** This is a grand, ambitious goal which is necessary because the demands are great, the expectations are high and there is little optimism that the dire situation will improve in the coming years.

8.   The five objectives that are proposed to achieve this goal are further broken down into strategic components. Certain types of assistance are suggested to demonstrate how the strategic components can be explored with the support of various stakeholders.

Objectives

9.   **Objective 1: Increase effectiveness and efficiency in delivery of services in complementarity with other service providers**. This objective deals with the pressing need to continue to efficiently and effectively provide basic services in order to maximize the utilization of scant resources. The proposed strategic components of this objective are: drawing up a national development agenda and sectoral plans in the delivery of services, strengthening networks/coordinating bodies and creating partnerships in service delivery, institutional capacity building in service delivery, promoting standards and benchmarks in delivery of basic services and   instituting flexible and responsive planning and implementation mechanisms incorporating development perspectives in delivery of services.

10.   **Objective 2: Improve governance practices of NGOs**. This objective focuses on the need to improve institutional capacity of individual NGOs in order to enable the larger NGO community to perform its expected roles.   The proposed strategic components are: strengthening the transparency and accountability of NGOs towards their constituencies, promoting strategic thinking and competence among NGOs, instituting participatory planning and management modes of operation and improving the legal and regulatory enabling environment for NGOs. The proposed types of assistance are: promoting broader utilization of good governance practices, self-assessment, M&E and strategic planning tools; supporting the propagation of the Palestinian NGO Code of Ethics; and assistance in developing appropriate transparency and accountability measures.

11.   ***Objective 3: Strengthen civil society and democracy.*** This objective brings attention to the stakeholders' expressed desire to increase the relevance of NGO work in promoting democracy, civic participation and nation-building. The strategic components are: creating multistakeholder discussions on the key issues of national import, advocacy for good governance and corporate social responsibility (CSR) towards the private sector, advocacy to influence public policy and governance, promoting and creating models and platforms for non-violent conflict resolution and social/cultural/ideological interactions, and promoting international solidarity and advocating regional and international support to Palestinian national rights and aspirations.   The proposed types of assistance are: support for multistakeholder dialogues on issues of democracy, human and civic rights and national sovereignty; support for publication and dissemination of materials arising from these dialogues and conferences; capacity building in policy development and advocacy; supporting studies and research in democracy, human rights and other related issues; support for building capacity in participation in public expenditure management; and supporting NGO participation in international conferences and networks.

12.   ***Objective 4: Promote community empowerment and increase people's participation in local development.***   The legitimacy of NGOs' role as intermediaries between government and donor agencies and the community and their effort to articulate the voice of the people can only be achieved if the communities are themselves empowered.   Without empowerment, NGOs are no better than traditional politicians who use the poor and disadvantaged communities as tools for their own self-interest.   The proposed strategic components are: creating community awareness on national issues and their dynamics with local issues and concerns, develop/strengthen local NGO/sectoral/CBO cooperation, creating dynamic links between national NGO/sectoral structures and local counterpart structures and promoting an enabling environment to encourage people to participate in local decision-making processes. The proposed types of assistance are: support participation of CBOs in local networks and platforms for dialogue; support publication and dissemination of popular education materials and discussions in local consultative structures; capacity building for local NGOs and CBOs in local development planning; support women and youth leadership programs; establishment of internet cafes in key local communities and capacity building for the use of these facilities for information and communication; documentation, publication and dissemination of best practices in people's participation in local development; and   assistance in designing and implementing community-driven development (CDD) type projects.

13.   ***Objective 5: Promote sustainability of NGO development work.***   This objective promotes ways and means to sustain all of the above beyond the timeframe of this strategy. However, this objective focuses on sustainability not on NGOs alone but on the sustainability of NGO development work in general.   The proposed strategic components are: economic sustainability,   promoting institutional effectiveness of NGOs and sustaining an enabling environment. The proposed areas of assistance for economic sustainability are: documentation of global and local best practices in initiatives for financial sustainability of NGOs; promoting the adoption of best practice in financial sustainability among NGOs; promoting effective strategic planning and management and financial planning and resource generation at NGO level to increase effectiveness and sustainability; promoting the active sharing of information and databases to maximize use of resources; and encouraging the business sector and diaspora to establish local social development fund.   To promote institutional

effectiveness, it is suggested that previous recommendations on institution building as an element of increasing effectiveness and efficiency in delivery of services as well as in improving governance of NGOs should be effectively implemented. To create an enabling environment for NGO work, the proposed types of assistance are: support studies and promotion of sustainability strategies, support publication and dissemination of sustainability strategies, and technical assistance in setting up a Palestinian social development fund.

Refinement and implementation of strategy

14.	It is suggested that this proposed strategy paper be presented to the same group of stakeholders that reviewed the strategy framework (August 24) plus others whose comments and support are crucial in finalizing the strategy. It is strongly suggested that special consultations be held with donors, key government officials who are knowledgeable of NGOs and leaders of the private sector. Another round of FGDs should also be conducted with NGOs in the regions. The final version of the strategy should incorporate as much of the feedback and suggestions from the above consultations as possible. This will ensure that the final strategy captures the expectations of stakeholders as well as their participation in the implementation of the strategy. When finalized, the strategy should be published and disseminated as widely as possible.

15.	It is suggested that in order to ensure multi-stakeholder ownership a democratic and non-hierarchical collaborative mechanism be established to implement this strategy. A monitoring and assessment/evaluation system should be established to ensure that the strategy is being effectively implemented and that the desired impact is being achieved. An annual assembly of all interested parties to evaluate implementation of the strategy should be seriously considered.

Part I - Context of the Strategy

A. Introduction

1. NGOs have been the stabilizing force of Palestinian society. They have managed to create the bridge that enabled the Palestinian people to cross from one period of occupation to another. Today, just as the government was going about the process of building the state, Palestine is once again thrown into emergency mode after major donors withheld support from the duly elected government. Thus, just as a segment of the NGO community was preparing to take on a new role of engaging the state building process, they are once again compelled to refocus their energies towards providing emergency relief.

2. The Palestinian NGO community is showing signs of strain amidst divergent pressures. On the one hand, they are expected to complement the weakness of government in delivering basic services. On the other hand, they are also expected to advance the cause of resisting occupation while ensuring that the institutions of the state and their consequent policies are established in accordance with the expectations of the Palestinian people. Amidst all these, NGO practices are being criticized by different sectors of society, not the least by NGOs themselves. The Palestinian NGO community faces a daunting future.   At no other time in its history has it been under the harsh spotlight of public scrutiny – both within Palestinian society as well as from external stakeholders. This is the context in which this strategy is prepared.

3. This strategy is intended for the broad range of non-governmental organizations in Palestinian society. The term NGO is liberally used in this paper to include charitable societies, development-oriented NGOs, community-based organizations (CBOs)[1], and other non-profit groups who are organized to serve public interest.   Owing to their unique position in society, this strategy is particularly directed towards development NGOs "that go beyond the provision of direct and immediate relief, seeking instead to develop society's internal ability to create an alternative, parallel system to the Israeli occupation - one capable of resisting it."[2]   These NGOs have carved a space for themselves that puts them between the community, the government, donors, civic groups, traditional Palestinian organizations, Israel and the international community. These NGOs are in a strategic position to influence the future of Palestinian society.

4. The question was asked in one of the consultations: w*hose strategy is this?* The initiative to prepare this strategy came from the Project Management Office (PMO) of the Palestinian NGO (PNGO) Project of the World Bank. The PNGO phases I and II were successful in assisting NGOs in serving the needs of the poor. In particular, these two phases of the program enabled NGOs to deliver much-needed basic services to poor and marginalized Palestinians as well as those who are geographically isolated by barriers imposed by Israel. In addition, they were also able to assist in increasing transparency of NGO grantees which improved their access to other donor funds and promoted greater cooperation and information sharing among NGOs. Apart from PNGO, there have been several efforts in recent years to assist NGOs in fulfilling their

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[1] *Although distinctions are made among these whenever necessary.*
[2] *Birzeit University, "PNAlestine Human Development Report 2004", United Nations Development Program. Ramallah and Gaza. 2005.*

important role in Palestinian society. Nonetheless, at the present juncture, the NGO sector in Palestine needs to be reinforced, its capacities further upgraded and its ranks consolidated.

5.   A group of consultants were engaged to prepare the strategy as part of preparations for Phase III of the PNGO project. However, ***the strategy is not intended to be a strategy of the PMO for PNGO III only***. The hope is that this strategy will be prepared with the NGO community, for the NGO community of Palestine. The role of the consultants is to conduct a study of the appropriate strategy for the development of the NGO sector given the current context of Palestine and building upon the achievements of donor programs and projects of recent years. It is expected that if a significant number of stakeholders are engaged in the process of preparing this strategy and if it conforms to their expectations, this strategy would be used as a means to establish greater collaboration among such stakeholders to achieve a more inclusive and sustainable development for Palestine.

6. This strategy was originally intended for a 3-5 year period. However, what has emerged is a broader strategy that can be applicable for a longer time horizon. It is crafted to address the alleged weaknesses of NGOs and the expectations of stakeholders of the role that they should play in responding both to current problems as well as long-term concerns. It is grand and ambitious because the needs are overwhelming, the expectations are great, the capacities limited and the resources scarce. There are recommendations at the end of the paper on how to possibly implement this strategy. It is expected that implementation will be a collaborative undertaking by different stakeholders. Since the NGO Development Center (NDC) will take over the role of the PMO in PNGO III, it is expected to take the lead in implementing this strategy.

7. This paper is divided into two parts. Part I gives the background information for the strategy as well as the framework that was used in preparing this study. Part II contains the proposed strategy for the development of the NGO sector.

B. Strategy formulation framework

8. The approach that was taken in conducting this study to formulate the strategy is to situate the desired role of the NGO sector in the current context of Palestinian society, particularly the role which major stakeholders of society expect them to play. This approach is taken in view of the expanding role that NGOs are performing as well as the changing expectations towards them as democracy evolves in Palestine. Thus, the strategy attempts to make the NGO sector a key player in shaping the evolution of Palestinian democracy since it has been one of the most stable institutions in this society.

9. The **objectives** of this study are:
   - *To define the current context of development and the situation of NGOs in Palestine.*
   - *To determine what major stakeholders (government, private sector, donor agencies, local and international NGOs, CBOs, intellectuals in the academe) see*

as the challenges that the nation will face in the next 3 years and the role that they expect NGOs to play in meeting those challenges.

- *To propose a strategy that will enable NGOs to perform the role expected of them in the coming years.*
- *To identify resources and institutional arrangements that will be needed to implement this proposed strategy.*

10. Methodology

10.1.   The first step that was undertaken in preparing this strategy is to conduct a **situational analysis** by reviewing existing literature to establish the current context of NGO work. This context includes the socio-economic and political situation, the current development plans of government, expected investments and initiatives of the business sector, the historical development of Palestinian NGOs, types of programs and projects undertaken by NGOs in the last decade, major efforts for NGO sector development, and major capacity building efforts in the past. Needless to say, this paper benefits from extensive studies that have been conducted on the Palestinian NGO sector. This situationer gives a broad perspective of the complexity of the current situation in Palestine as well as the imperatives for and limitations of development efforts. It also provides the parameters of the limits and possibilities for meaningful change within the proposed period of intervention.

10.2.   The second step involved conducting **stakeholder interviews and focus group discussion (FGDs) among NGOs**. Interviews were conducted among key informants from government, private sector, academe, donors and international NGOs who were available during the period. These stakeholder groups are believed to be the most influential in Palestinian society. Separate interviews were conducted in West Bank and Gaza. FGDs were also conducted among representatives of NGOs in Gaza, Tulkarem, Nablus, Hebron and Ramallah.   In selecting NGO key informants, there was an attempt to include small, medium-sized and large NGOs as well as former NGO leaders who have moved either to government, the private sector, donor agencies or international NGOs. The key informants were selected by the consultants and the PMO from a large database of individuals whom the PMO had been interacting with in the past 10 years of its existence. They were selected based on the PMO's perception of their ability to articulate the views of the stakeholder group from which they come from. These conversations were conducted to determine the following:

- *Major issues and challenges they expect the nation will face in the next 3 years*
- *Role/s they want NGOs to play in meeting these challenges*
- *Perceived weaknesses and strengths of NGOs in meeting these challenges*
- *Proposed interventions for NGOs to enable them to play the desired role/s*

10.3.   The previous steps provided the needed information to formulate a strategy framework which contains the key elements of the strategy in preliminary form. The strategy framework was presented to stakeholders who were interviewed as well as those who participated in the FGDs. A total of 60 individuals attended the strategy framework presentation in West Bank and another 30 attended the one in Gaza. *(See Appendix B - List of Participants in Strategy Framework Consultation - August 24, 2006)*

10.4.   This initial draft strategy paper was written taking into consideration the feedback and recommendations received during the stakeholders' consultation.

Relevant data from existing literature is used to validate or contradict insights given by key informants and to analyze evidence vis-à-vis stakeholders' perceptions. It is expected that the draft strategy will be presented to stakeholders again to ensure a larger constituency behind it before it is finalized.

11. **Constraints and limitations**. The main constraint of this strategy paper is time. Consultants worked under a tight schedule of four weeks to prepare this strategy. One week was spent on review of literature, two weeks were spent on stakeholder interviews and FGDs while another week was spent writing this paper. The short period of time resulted in limited number of people who can be interviewed and a limited number of FGDs.   In particular, the consultants were unable to talk to community-based organizations (CBOs) that could have provided a rich perspective from the ground. Many individuals who needed to be consulted were not available during the short time in which the interviews were to be conducted. Still, a total of 150 individuals representing 150 organizations participated in the interviews and FGDs. Those who were interviewed provided very rich insights for this study. *(Please see Appendix A and B - List of Key Informants)*. The short time frame for the study also did not allow for sufficient time to thoroughly review the rich amount of literature that is available on NGO work in Palestine as well as to obtain other documents that may have provided a richer context to the study. Thus, this strategy paper does not claim to be a comprehensive analysis of the evolving context of Palestinian development and the role of NGOs in the nation's future. It is an attempt to do a rapid appraisal of expectations and potential solutions to the challenge of organizing a dynamic community that is bursting at the seams because of high public expectations and pressures from a complex environment demanding urgent attention.

12. The other constraint that this study faced was the problem of mobility in Palestine. Fewer NGOs were able to participate in FGDs. There was limited interaction between the team in West Bank and the team in Gaza during the conduct of this study. The consultants could only talk electronically (through videoconference, teleconference and email). Separate stakeholder consultations were conducted in Gaza and West Bank to present the strategy framework when a more dynamic exchange could have transpired if NGOs from both sides had participated in one consultation.

C. Key Findings

13. ***The current socio-political, economic situation in Palestine.*** The following are gathered from NGOs and their stakeholders regarding the expected challenges of the next 3 years.

13.1.   ***ISRAELI OCCUPATION*** continues to be the biggest stumbling block to Palestine's development. Restrictions in mobility of people and goods, control of imports and exports, non-remittance of clearance revenues and the continuous expansion of the annexation wall has resulted in economic, political and social **uncertainty and instability**. Under such conditions, it is difficult to come up with long-term plans. It is also difficult to imagine any kind of development taking place.

13.2.   There is popular expectation among stakeholders that the next 3 years will be even tougher. The refusal of Israel to remit clearance revenues after the election of the

Hamas-led government and stricter security controls are considered ominous signs.[3] U.S. clamp down on terrorism is expected to result in more financial restrictions and the international community could put more conditionalities on their aid. All these have had tremendous impact on NGOs in terms of the cost of their work and limitations of what they can do. There is growing concern that annexation and travel restrictions could result in division of West Bank into cantons which could further restrict mobility. At the same time, there is no optimism that there can be acceptable political settlement between Palestine and Israel in the coming years.   There is also a strong desire for the international community to put more pressure on Israel to recognize sovereignty of Palestine.

13.3.   ***Development Challenges***.   The developmental challenges anticipated by NGOs and their stakeholders are grouped into the following category of issues.
13.4.   ***WEAK GOVERNANCE.***   The Palestinian National Authority (PNA) was caught unprepared by the impact of the legislative election of January 2006. The financial squeeze from Israel, the U.S. and other donor countries came while it was still in the process of establishing its governance infrastructure.

13.5.   There is a sense that government does not provide leadership in terms of a vision of development and the necessary programs to achieve this. Since a large percentage of its budget comes from international aid, there is a feeling that donors are dictating the national agenda. Interviewees felt that there are deficiencies in planning processes and coordination mechanisms within government. Further, others feel that government agencies have unclear mandates and that sometimes programs and projects are not responsive to the actual needs and priorities of the community. There is also a feeling that the bureaucracy is generally poor in financial planning and suffers from poor human resources. Thus, **the provision of basic services,** both quantitatively and qualitatively, **has already been quite weak, especially to marginal groups and areas, it is expected to be even more exacerbated by the economic downturn.**

13.6.   It is unfortunate that there does not seem to be recognition from among those interviewed about the Medium-Term Development Plan (MTDP) for 2005 - 2006 which was formulated by the Ministry of Planning.[4] The MTDP states that the planning process is built upon previous studies and consultation processes among various stakeholders. It clearly spells out the development direction based on extensive studies and puts forwards explicit priorities in the allocation of resources. Evidently there is not enough effort to obtain popular support for the MTDP, particularly among NGOs.

13.7.   There are complains of **financial and administrative corruption** in government: lack of transparency and accountability, nepotism, and weak internal controls, among others. On the other hand, some government officials complain that the response of donors to this problem is counterproductive. They say that the practice of

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[3] *World Bank estimates that continues suspension of clearance revenue transfers, trade and labor restrictions, reduced aid flows could result to real GDP per capita decline by 27 percent in 2006,and personal incomes (real GDI per capita) by 30 percent—a one-year contraction of economic activity equivalent to a deep depression. Under this scenario, unemployment could reach 47 percent and poverty 74 percent by 2008.*
[4] *Ministry of Planning, "Medium Term Development Plan 2005 – 2007", PNAlestinian National Authority. (Undated). This has already been updated by MTDP 2006-2008.*

some donors of giving funds directly to NGOs undermines government because NGOs have limited reach compared to government.

13.8.   Despite these frustrations, there is general agreement of the need to support government. The expectation is that government will assert leadership in establishing functional governance system even in the context of socio-political and economic problems.   Some pointed out that good governance can be practiced under any circumstance.   There is a sense, however, that political factions are unable to get their act together; that they are more concerned about their political agenda rather than about reforms and institutionalizing law and order.

> In many ways, Law 1 / 2000 is an ideal NGO law. But as Nathan Brown of the Carnegie Endowment for International Peace puts it, "Palestine is, in short, a model democracy. Its most significant flaw is that it does not exist." The tragedy of Palestine is that on paper it has many of the institutions and procedures of a democratic sovereign state, but in reality it remains caught between the intifida, crippling unemployment and insecurity, and Israeli occupation. Palestine is almost a photographic negative of its Arab neighbors: whereas most Arab states have overwhelmingly dominant state institutions but no democracy, Palestinians are well-versed in the methods and procedures of democracy, but their institutions have not been able to take root "in the midst of one of the world's most intractable conflicts." Thus, as with many Palestinian laws, the civil society statute is on paper very close to a model of good governance; but the practical realities of life in the highly unstable, occupied country make it difficult to ascertain just how relevant the law actually is.
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> **Elbayar, Kareem, "NGO Laws in Selected Arab States", International Journal of Not-for-Profit Law / vol. 7, no. 4 / September 2005**

13.9.   INCREASING DEMAND FOR BASIC SERVICES. The biggest concern at the moment is how to enable those that are severely affected by this crisis to survive. The PA provides the core services used by the bulk of the population. The Ministry of Education runs about 75% of the schools, the Ministry of Health accounts for 62% of primary health clinics; it runs 22 general hospitals while UNRWA runs one and NGOs run 12 smaller, specialized hospitals. The MoH is the central provider of a number of essential services, including all vaccinations.[5] The United Nations reports that: "[A]lthough the UN and NGOs would scale up their humanitarian operations, they may not be able to meet the rapid increase in need particularly in the face of movement restrictions. Humanitarian assistance is already at high levels –approximately $1.1 billion has been invested in humanitarian assistance since 2000. Significantly more humanitarian aid will be needed to maintain the status quo situation if PA funding is reduced. The delivery of aid is likely to be more expensive due to the additional overhead/administrative costs of funding through multiple alternative smaller-scale sources. The effectiveness of the targeting of assistance will be reduced without coordination with the PA."[6]

13.10. Thus, NGOs are seriously concerned about the **availability, quality, and accessibility of basic services** like additional infrastructure (water, electricity,

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[5] *United Nations, "Assessment of the Future Humanitarian Risks in the Occupied Palestinian Territory". April 11, 2006*
[6] *United Nations, "Assessment …, p. 7*

agricultural roads) and reconstruction of damaged infrastructure, health & education (coverage and quality of services, availability of adequate human resources), and social protection and support (welfare for children and poor families, support for prisoners and their families, rehabilitation of released prisoners, people with disability and the elderly). There are also concerns about the impact of these on **marginalized geographic areas and groups**: rural areas, areas affected by the Wall, women, children, elderly, and people with disability.

13.11. ***DETERIORATING NATIONAL ECONOMY.*** As a result of economic decline, NGOs and stakeholders are deeply concerned that the PA will be unable to cover its own operations; that it will continue to be dependent on donors and would make it even more vulnerable to their dictates. In one of its recent reports, the World Bank states that: "The Palestinian Authority is currently confronting a fiscal crisis that could threaten its very existence … By late 2005 in fact, the PA had already reached a position that was fiscally unsustainable, in which assets were being liquidated or mortgaged to meet salary costs."[7]

13.12. Projections are also grim if current conditions continue to prevail. "Suspending revenue transfers, constraining Palestinian movement and access and reducing aid flows would cause severe economic damage. Real GDP per capita declines by 27 percent in 2006, and personal incomes by 30 percent; a one year contraction of economic activity equivalent to a deep depression. By 2008, unemployment hits 47 percent and poverty 74 percent."[8]

13.13. ***POVERTY AND UNEMPLOYMENT.*** Key informants are deeply aware that poverty and unemployment are the most serious consequences of the expected worsening of the economic crisis. World Bank data indicates that nearly 40% of those who are currently unemployed were previously working in Israel, Israeli settlements and industrial zones.[9] Travel restrictions will make it even worse for others. Palestine has paid a heavy toll for its economic dependence on Israel. It has not even recovered from the economic collapse that has led to a 35 percent reduction in per capita income since the Second Intifada began. The unemployment in the territories reached 27.5% in 2004.[10] Depressed income levels, caused in part by these high levels of unemployment, have resulted in climbing poverty rates. By 2005, nearly 47 percent of Palestinians, around 1.7 million, were living below the official poverty line of $2 a day per person. More than 600,000 people (an estimated 16 percent of the population) are classified as extremely poor and unable to afford even the basic necessities of subsistence.[11]

13.14. Non-remittance of clearance revenues by Israel will have a particular toll on 152,000 PA employees who have not been paid since March 2006. With an average size of 6 persons per family, over 900,000 individuals (nearly 25% of the population) are

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[7] *World Bank, "The Impending Palestinian Fiscal Crisis, Potential Remedies", World Bank, 7 May 2006.*

[8] *World Bank, "West Bank and Gaza Update", A Quarterly Publication of the West Bank and Gaza Office. April 2006.*

[9] *World Bank, "West Bank and Gaza Update …,*

[10] *Ministry of Planning (MOP), Palestinian National Authority, Medium Term Developmental Plan 2005-2007.*

[11] *World Bank, West Bank and Gaza, Developing Recovery Program, September 2005.*

currently suffering from this loss of income. The people in Gaza are even more affected by this condition since almost 40% of the population there is employed by the PA.[12]

13.15. ***SOCIAL FRAGMENTATION.*** Lack of leadership and internal political conflicts in government are apparently infecting social relations. Key informants are concerned that the phenomenon of weak governance resulting in weak institutions, failure of the rule of law and other consequences are resulting in internal conflicts within Palestinian society. There is growing cultural and ideological/religious polarization and the role of extended families in the political and social systems are also declining. People seem to be losing faith in the integrity of Palestinian society amidst the pressures of poverty, continuous oppression and lack of inspiration from the national leadership.

13.16. As such, there is rising frustration among many of those interviewed. Some feel that any reform will not mean much if Palestine continues to be under control of Israel. Some even feel that perhaps the entire government should just resign and let Israel take full control and pay for the cost of occupation instead of passing on the cost of occupation to the international community---a view that is strongly opposed by others.

13.17. Still others would rather take an optimistic view. One of the recurring themes of the conversations was **how to survive and do well despite occupation.** Some felt that people suffered from the illusion of stability created by the creation of the PA and started to behave as if there is a "state" and as if there was no occupation. They feel that what is needed is to draw up plans for the "under occupation" scenario. People from the private sector think that checkpoints/the wall must become part of business planning---that life has to go on and that this given realities cannot be used as a reason not to do anything unless occupation is stopped. At the same time, others feel that occupation must not be ignored and must continue to be fought. Some see this as an opportunity for cultural and ideological dialogue; an opportunity for self-assessment and for reflection on how society can become stronger despite occupation.

> Perhaps the most important conclusion of the PHDR is that empowerment as defined in the Palestinian context means promoting the vast potential within Palestinian society so that it can maintain its presence on Palestinian land and evolve into a viable society, capable of preserving its cultural and national identity and of developing all its resources. This requires the activation of all of society's dormant energies —residing in its individuals, institutions, and system of values—and developing them in order to accomplish its historic endeavor of self-determination and building an independent state.
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> ***Palestine Human Development Report 2004, p. 2***

14. The current situation of NGOs in Palestine

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[12] *United Nations, "Assessment …*

14.1.   **Evolution of NGOs**.[13] NGOs are not a new feature of Palestinian society. Civil society, of which NGOs are just a part, existed in Palestine since before the Ottoman Empire. Among the most common type of civil society organization that emerged early in the history of modern Palestine is the charitable societies that started their activities at the turn of the 20th Century under a legal framework instituted by Ottoman law.[14] Under the Turkish-Ottoman rule, the cultural societies and various clubs emerged for the purpose of advocating for public policy issues as well as to gain public support for their goals. These were traditionally based on religious and family affiliations and were led by prominent families.[15]

14.2.   Political-type NGOs probably find their roots during the Jordanian/Egyptian rule when Palestinians in the West Bank and Gaza Strip established a variety of professional and charitable organizations to cater to the needs of specific constituencies and either assist, complement or oppose the ruler's practices. The leaders of these organizations no longer came from traditional prominent family backgrounds but from a new breed of educated political elite.[16]

14.3.   The next generation of NGOs played a crucial role during the period of Israeli occupation. The charitable associations re-emerged to cater to the pressing need for basic services of the Palestinian population under a new authoritarian ruler.[17] It was during this period, particularly during the First Intifada, that development and justice NGOs---those that provided services to the poor and marginalized in the context of social injustice, came to the fore. Charitable institutions and development NGOs saw to these needs independent of the occupier and promoted the virtues of steadfastness *(sumud)* and resistance among the people.

14.4.   Between these periods, a host of other civil society groups became part of Palestinian life: popular organizations (women's groups, labor unions, voluntary work movement); development organizations (agriculture and health committees); research, media and human rights organizations; and special interest groups (e.g. for people with disability, elderly, etc.).[18] However, it is the charitable societies that are most numerous, even up to the present time, because they address essential needs of the population.

14.5.   The periods during the two Intifadas highlighted the critical role of NGOs. In the absence of a fully functional government, they became the main channel of resources from donor countries and Arab neighbors to those who were adversely affected by the conflict. Unity was created among different types of civil society organizations with the single purpose of surviving the occupation. Unfortunately, this unity of purpose was

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[13] *This section does not attempt to give an extensive historical account of PNAlestinian NGOs. Several scholarly studies have been done in the PNAst that provide a rich account of such history, among these are: Barghouti (1999), Robinson (1997), George Giacaman (1998) in Bisan Center for Research and Development, The Role and Performance of PNAlestinian NGOs In Health, Education and Agriculture, December, 2005. This section merely tries to provide a brief backdrop of the rich and valuable history of PNAlestinian NGOs to put their current situation in context.*

[14] *Jarrar, Alalam, "The PNAlestinian NGO Sector: Development Perspectives", PNAlestine-Israel Journal of Politics, Economic and Culture, Vol. 12 No. 1, 2005*

[15] *Hadi, Mahdi Abdul, "NGO Action and the Question of PNAlestinian Challenges and Prospects, Ending 30 years of OccuPNAtion - The Role of NGOs", Jerusalem, 2005*

[16] *Hadi, "NGO Action ..."*

[17] *Jarrar, "The PNAlestinian NGO Sector ..."*

[18] *Bhargouthi, Mustafa in Bisan Center, "CIVICUS-Civil Society Index Research Project", March 2006.*

disrupted by changes in the political landscape. The creation of the PNA as a central ruling authority prompted the resurgence of traditional, conservative and patriarchal values. By the Second Intifada these traditional systems had dominated the PNA which disregarded the mode of popular participation and decision-making that characterized social response during the First Intifada.[19]

14.6.   The creation of the PNA had a major impact on the role of NGOs. Jarrar describes three phases in the relationship between NGOs and the PNA. The first stage (immediately after the creation of the PNA) was characterized by uncertainty in the role of NGOs. The new government recognized the value of the services provided by NGOs which it knew it could not fully provide.   At the same time, it regarded NGOs as competitors in the performance of government's fundamental role of delivering basic services.   The second phase is characterized by mutual acceptance as dialogue between the two sectors was initiated.   In this period, NGOs started their political discourse on the role of civil society, democracy and the rule of law. This brought about a shift in the nature of funding coming their way from service delivery to programs focusing on gender, democracy and human rights. The third phase is characterized by some collaboration where, for instance, NGOs and the Palestinian Legislative Council collaborated to craft the NGO Law. Presently, one can observe all the characteristics of these phases playing out their dynamics in the evolving relationship between government and NGOs.[20]

14.7.   Today, Palestine has a thriving civil society.   The Palestinian Human Development Report (2004) classifies these organizations into two: **traditional social institutions** which includes tribes, clans, extended families, urban, rural familial and sectarian networks and religious groups; and **modern institutions** which include political parties, charitable societies, trade unions, professional associations, women's associations, NGOs, media and advocacy groups and other service-providing organizations.[21]   While its healthy dose of NGOs has made Palestine a pluralistic society, it is also caught in the interaction between the modern institutions pushing for contemporary values of democracy, equity and rule of law and the traditional institutions upholding customary practices and filial relations.

14.8.   No matter how they are categorized and despite being heavily criticized under the current environment (see next section), NGOs continue to play an important role in maintaining social cohesion, in ensuring that the poor (at least as many as those that they can reach) obtain their basic needs, promoting steadfastness among the population, and continuously articulating the social aspiration of the search for a genuine Palestinian state.

14.9.   **Weaknesses of NGOs**.   The increasingly high profile role of NGOs in responding to national problems has also made them vulnerable to criticisms from different sectors.   The following views were expressed during interviews with stakeholders and FGDs with NGOs regarding the weaknesses of NGOs.

14.9.1.   **Impact of aid**. The most common accusation against NGOs is that they have become extension of donors. Owing to their effectiveness as service delivery

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[19] *Birzeit University, "PNAlestinian Human Development Report", p.93*

[20] *Jarrar, "The PNAlestinian NGO Sector …"*

[21] *Birzeit University, "PNAlestinian Human Development Report", p.105*

agents under a regime of weak government, many NGOs are said to have focused on delivering services using donor funds and have become less concerned about their responsibility to articulate national concerns such as opposing occupation. This has also made NGOs aid dependent and, according to some, tools of varying agenda of donor agencies. Such dependence has led to a dominance of donors' agenda and has, apparently, led to NGOs becoming less flexible in pursuing their "own" priorities and becoming more "donor controlled". Some NGOs are said to be constantly changing their priorities and program focus just to capture donor funds. Some members of the private sector also claim that donor funds have unnecessarily inflated the salary scale of some NGOs and have ultimately skewed the local labor market. Several stakeholders lament the way the spirit of volunteerism is declining because of paid NGO work.

14.9.2.   ***Inefficiency***. Another common criticism against NGOs is that the funds that they receive are not commensurate to the services they provide. They are also accused of duplicating government services and of competing with government for precious donor funds. The private sector feels that there are already too many NGOs, many of whom are doing the same thing. The concern for the lack of supervision and monitoring of the quality of services delivered is, however, shared even by some NGOs themselves.

14.9.3.   ***Competition among NGOs***. There are also fears of growing competition for donor funds among NGOs, particularly between big and small ones. Sometimes there is competition between professional (intermediary) NGOs and some of their beneficiary organizations. The reality is that since the bigger NGOs are more skilled at preparing project proposals and have better reporting systems, they tend to capture the funds to the detriment of small NGOs and community-based groups.

14.9.4.   ***Lack of transparency and accountability***.   Another popular criticism against NGOs is their lack of accountability to their beneficiaries as well as to the general public. The study on *The Role and Performance of Palestinian NGOs in Health, Education and Agriculture* by the Bisan Center already pointed out that many NGOs are mostly concerned about reporting to their donors but not to the community for which they received funds, nor are they known to publicly declare their income and expenditures. There is a growing sense of corruption in some NGOs – an impression that is contributing to a decline in the image of NGOs in general.   This is aggravated by the fact that some NGOs are becoming too protective of organizational information citing security concerns.   These accusations are diminishing the credibility of NGOs in exacting transparency from government when they themselves are reluctant to exercise the same.

14.9.5.   ***Lack of (inability to articulate) strategic vision***. Some stakeholders feel that NGOs are drifting towards a tunnel vision of development with their preoccupation for service delivery and self-survival. Some government officials feel that some NGOs already have a pre-conceived agenda when they go a community, depending on their donor's preferred program. Others feel that NGOs are unable to promote developmental thinking among the grassroots. Still others feel that NGOs are missing out on the opportunity to bring the perspective of the community in influencing government's development policy. As such, there is increasing apprehension that NGOs are unable to advance their strategic role in development in Palestine particularly that of shaping a civil society that could provide the much needed direction to the state building agenda. Furthermore, there is a feeling that NGOs are not maximizing their potentials in seeding mass movements that are the fodder of a dynamic democracy.

14.9.6.   There are numerous concerns about NGOs being ***disconnected from the community***.   There is a sense that the pressure for professionalization is forcing NGOs to produce project results without emphasis on strengthening their link to the grassroots. Some opine that grassroots groups are beginning to distrust NGOs because they are being perceived to be cornering the funds and that they are living off the misery of the poor through their perceived high salaries (clearly a result of lack of NGOs' transparency and accountability towards them). On the other hand, others feel that communities are developing a utilitarian relationship towards NGOs---accepting the much needed services they offer despite their distrust. Indeed, a comparison of public opinion polls conducted in 2002 and 2004 indicate that the level of trust in Palestinian civil society organizations has varied and that the level of trust in most institutions has dropped.[22]

14.9.7.   ***Phenomenon of NGOs becoming political*** (engaging in electoral politics). It was observed that in the last elections for the Palestinian parliament, some NGOs formed political parties while political parties had started using NGOs as vehicles for organizing and serving their constituents. It was repeatedly pointed out that this is how HAMAS gained electoral popularity and there are fears that this phenomenon could lead to a politization of development.

14.9.8. More strategically, there were concerns about ***leadership and sustainability issues.*** It was pointed out that many of the bigger NGOs are becoming personality oriented and that there are no deliberate leadership succession programs. It was also observed that it is a small coterie of prominent leaders that are being projected in the national limelight leaving equally effective leaders in smaller NGOs or those in distant areas in the shadows in national discourse. There is a danger of an elite group of leaders being formed instead of expanding the base of leadership among NGOs. The phenomenon of NGO leaders moving into government or donor agencies is creating a leadership vacuum in the NGO community. At the same time, there is overwhelming concern that there are hardly any efforts to address the issue of sustainability of NGO work even as donor funds continue to dwindle and as the demands for greater NGO role intensifies.

14.9.9. Indeed, one of the conclusions of the Palestine Human Development Report is that: *"[T]here is a lack of clearly established and articulated Palestinian priorities within a comprehensive Palestinian development vision. Similarly, no effective coordination mechanism between the PNA and civil society organizations exists. The resulting administrative vacuum strengthened the donors' development agenda and political influence, and increased the dependence of civil society organizations on donor funding and expertise. The absence of the rule of law, procedural transparency, and democratic systems, as well as in the absence of a culture supporting rotation of power within PNA institutions and civil society organizations contributed to the degradation and dependence of civil society."*[23]

14.9.10.   In fairness to NGOs, other key informants pointed out that without NGOs Palestine would have been much worse.   They also remind us that NGOs in Palestine are very diverse; that one cannot apply all these criticism to all NGOs. It is also felt that

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[22] *PNAlestinian Human Development Report ..., p.105*
[23] *Birzeit University Development Studies Programme, "Human Development Report 2004", UNDP Programme of Assistance to the PNAlestinian People. Ramallah and Gaza. 2005, p. 139*

most of these criticisms are anecdotal, based on impressions on some but not all NGOs. Therefore, there is a need to be sensitive as to who certain issues apply to. There is also a need to take into account the history of NGOs in Palestine and why this present situation exists. NGOs are evolving and there are many forces driving Palestinian society---NGOs are only one of them. It was emphasized that although there is some truth that NGOs are strongly influenced by donors, the fact that a large majority of them refused USAID money when they were required to sign an anti-terrorist waiver proves that NGOs can assert their beliefs when they want to.

15. **Expected roles of NGOs**. Despite these criticisms, stakeholders look up to NGOs to perform a vast range of responsibilities. These roles and responsibilities are analyzed in accordance with the relevant issues that stakeholders identified as the critical challenges of the nation in the coming 3 years. *(See Appendix C - Expected Role of NGOs in Meeting Challenges in the Next 3 Years)*

15.1. In ***asserting and advancing national sovereignty***, NGOs are expected to *engage in the formulation of a national political agenda* that addresses the issue of occupation while positioning the nation on a path to development within and beyond this regime. They are expected to *promote steadfastness* of Palestinians against the pressures of Israeli occupation *by providing basic services* that will enable the people to endure these pressures while continuing to have faith in their nation. NGOs are expected to *promote economic livelihood and self reliance* so that poor Palestinians will have the facility to survive the difficulties while participating in shaping a national economy and patrimony in their own small way. They are also expected to *promote pro-poor development and empowerment strategies* that will make people aware that their dire situation is an opportunity to craft a development strategy that will ensure equality but also affirm the need to give the poor more opportunities to catch up. Finally, NGOs are also expected to *promote political, social, and cultural dialogue and consensus building* among a people that are slowly being fragmented by divergent interests.

15.2. While ***delivering basic services***, NGOs should also *participate in the formulation of a national agenda* for development *and* ensure the equitable *allocation of resources*. They are particularly expected to *ensure the availability and accessibility of basic services to the poor and marginalized.* At the same time, NGOs are expected to *fill the gap and complement* government services while *coordinating* with government to ensure that limited resources are efficiently utilized and competences are evenly applied. They are expected to *develop appropriate alternative technology* to make up for precious natural resources which they are prevented from using (e.g. find ways to recycle water to reduce dependence on Israeli controlled water resources). NGOs are believed to have the capacity to *promote economic livelihood* and *employment opportunities* which is essential in enabling families to survive while keeping the local economy functioning.

15.3. By ***strengthening civil society***, NGOs are expected to perform a *watchdog role; to advocate for formulation of laws and regulations in protecting human rights and democracy*. Since there is increasing demand for services amidst declining funds, NGOs are expected to play a leadership role by *promoting coordination* among different service providers*,* and strengthen public institutions to *promote the rights of the poor to access basic services*, *create equity, protect citizens' rights and strengthen democracy* even amidst unstable conditions. NGOs are seen to have the opportunity to *promote the national agenda towards international community*. In the face of economic deterioration,

NGOs are expected to do *policy research and advocacy for economic equity, trade promotion and regulation under a sustainable development framework.* They are expected to take the lead in performing civil society's role in *promoting democracy and civic culture, advocating for rule of law and respect for human and civil rights, promoting pluralism, diversity and respect for opinion of others, and peace and reconciliation.*

15.4. NGOs are seen to have a leading role in **promoting dialogue and interaction** to preserve the social fabric of Palestinian society. Part and parcel of this expected responsibility are: *creating platforms for promoting dialogue on national issues and concerns*, *promoting coordination and cooperation among different stakeholders in developmental programs and projects to maximize limited resources*, *facilitating interaction with and among the community to surface their needs*, *creating dialogue on effective approaches to reducing poverty,* engaging in *dialogue on a national economic agenda*, *promoting exchange of experience and learning in development issues and models*, or simply *creating platforms for cultural, social and ideological dialogue* to bridge growing divisions within Palestinian society.

15.5. NGOs are expected to champion **people empowerment.** In the face of weak governance, this would include: *building the community's awareness on the dynamics of national and local issues, building the community's capacity to participate in formulating policies and priorities at national and local levels, promoting an enabling environment to encourage people to participate in local decision-making processes.* In the aspect of delivering basic services, this would include: *creating awareness of people's rights to access to basic services, increasing people's participation in planning, ownership and management of services.* In the face of economic deterioration, this would include: *creating involvement in economic development process, providing technical assistance and capacity building to enable people, especially women and marginalized groups, to access knowledge, markets, and financial resources.* Amidst poverty and rising unemployment, this would include: *promoting job opportunities and anti-poverty programs for marginalized groups, providing information and capacities for people to access economic opportunities.* And, in the face of social fragmentation, this would include: *ensuring inclusion of different segments of society in dialogue and participation mechanisms; promoting platforms for cultural, social and ideological dialogue.*

In the Palestinian context, the comprehensive concept of empowerment is expanded to mean:

A set of linked and continuous processes of challenge and resistance designed to bring about change in the substance, trends, and relationships of power through the ability to act, control, and challenge undesirable conditions. At the personal level, empowerment refers to acquiring knowledge, awareness, and confidence and experiencing and exercising power within a clearly defined and agreed upon social contract.
At a group relations level, empowerment means the ability to negotiate and effect change. Therefore, empowerment includes the establishment of relationships between people as individuals and groups, regardless of social strata, in a fair and equal manner, in terms of both economic capacity and political power. Added to this are independence and societal sovereignty, which refer to the ability of individuals and groups to live in a stable society that enjoys freedom and independence and has the inherent ability to preserve its fabric and reasonably control its fate in its interaction with the global system.

Palestine Human Development Report 2004, p. 16

Part II – Proposed Strategy

A. Proposed NGO sector development strategy

16. The **goal** of this strategy is to: ***enable NGOs to strengthen civil society's role in asserting and advancing national sovereignty, nation-building and sustainable development of Palestine.***

17. The goal is structured to address four key areas requiring NGOs' urgent attention. The first is to strengthen civil society in Palestine which is in danger of being dominated by disparate interests. The second is the need for sovereignty as an urgent national agenda which is also in danger of getting lost in the national psyche because of the multifarious difficulties that the nation faces. The third is the need to congeal a sense of social values among a citizenry that is being fragmented by overwhelming pressures. Finally, the NGOs need to continue to attend to its traditional role of providing basic services to those that are severely affected by the deteriorating economic condition while promoting development which will endure the current challenges and lay the foundation for progress. These are daunting challenges which stakeholders expect NGOs to live up to and which NGOs themselves accept as the harsh reality of their situation. This is a grand, ambitious goal which is necessary because the demands are great, the expectations are high and there is little optimism that the dire situation will improve in the coming years.

18. **Objectives.** The following objectives will contribute to achieving the above goal.

18.1. ***Objective 1: Increase effectiveness and efficiency in delivery of services in complementarity with other service providers***. This objective deals with the pressing need to continue to provide basic services---a need that is expected to further increase in the coming years given the skepticism towards economic improvement combined with pressures from the natural growth of the population. However, service provision needs to be viewed from the perspective of efficiency and effectiveness in order to maximize the utilization of scant resources. Networking and partnership building are recommended to be used as the key strategies to achieve this objective. If successfully accomplished, this objective will enable NGOs to live up to stakeholders' expectations for them to continue to deliver services and reduce the criticism of inefficiency and competition among them.

18.2. ***Objective 2: Improve governance practices of NGOs***. This objective focuses on the need to improve institutional capacity of individual NGOs in order to enable the larger NGO community to perform its expected roles. It is unfortunate that many NGOs have neglected governance concerns in the process of performing their functions (e.g. lack of periodic elections for their board of trustees, lack of well-defined financial and administrative procedures, etc.). NGOs need to establish their credibility and increase public trust in them by ensuring that good governance becomes a prevalent practice among them. A major effort in institutional development is the key strategy that is recommended to achieve this objective. If successfully accomplished, this objective could address the issue of lack of transparency and accountability among NGOs.

18.3. ***Objective 3: Strengthen civil society and democracy.*** This objective brings attention to the stakeholders' expressed desire to increase the relevance of NGO work in

promoting democracy, civic participation and nation-building. It addresses the criticism against NGOs of not having a strategic direction as well as the expectation for them to assert and advance Palestinian sovereignty. Unfortunately, the reality is that the Palestinian NGO community is currently dominated by a large number of small NGOs who are narrowly focused on service delivery.[24] The truth is there have been several efforts to define a civil society agenda among Palestinian NGOs but such effort is confined to a small number of big NGOs who have the luxury of engaging in such discussion. These discussions have to be enlarged to include a wider spectrum of NGOs who may have a different view of the development situation but are nonetheless a legitimate part of the Palestinian NGO community. These discussions then need to be translated into actionable points so that the larger community of NGOs can together form a larger force and a larger voice in advancing their agenda. Advocacy and social consensus building are the strategies recommended to be used to achieve this objective. If successfully accomplished, this objective could address the accusation against NGOs of not having a strategic direction. It could also enable NGOs to live up to stakeholders' expectations for them to assert and advance national sovereignty, strengthen civil society and democracy and promote dialogue and social interaction in Palestinian society. It could help the public understand that NGOs need to be political, not in the sense of accumulating power for themselves but in the sense of transforming the political structures that prevent people from being active participants in the development of Palestine and in achieving genuine sovereignty.

18.4. ***Objective 4: Promote community empowerment and increase people's participation in local development.*** The legitimacy of NGOs' role as intermediaries between government and donor agencies and the community and their effort to articulate the voice of the people can only be achieved if the communities are themselves empowered. Without empowerment, NGOs are no better than traditional politicians who use the poor and disadvantaged communities as tools for their own self-interest. Part of this objective is bringing major development efforts closer to the ground by promoting community participation in local authorities. Awareness raising and institution building are the strategies recommended to be used to achieve this objective. If successfully accomplished, this objective could enable NGOs to live up to stakeholders' expectation for them to champion people empowerment.

18.5. ***Objective 5: Promote sustainability of NGO development work.*** This objective promotes ways and means to sustain all of the above beyond the timeframe of this strategy. However, this objective focuses on sustainability not on NGOs alone but on the sustainability of NGO development work. Focusing on the sustainability of NGOs has the danger of institutionalizing NGOs whether they are relevant or not. This objective is concerned about the harmony among an enabling environment, organizational integrity and competence and dynamic synergy among NGOs that could propel them to live up to stakeholders' expectations for them to work for an ideal Palestinian society. Awareness raising, advocacy and networking are the strategies recommended to be used to achieve this objective. If successfully implemented this objective could address criticisms of NGOs being tools of donors as well as the concerns for their lack of sustainability and lack of proactive leadership.

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[24] *PNAlestine Economic Policy Research Institute, "Mapping of PNAlestinian Non-Governmental Organizations in the West Bank and Gaza, Welfare Association Consortium. May 2001*

19. **Implementation mechanisms**. Strategic components are proposed under each objective as a way of further breaking down the objectives into implementable parts. Certain types of assistance are suggested to demonstrate how the strategic components can be explored with the support of various stakeholders.   These recommended components and types of assistance are by no means comprehensive. NGOs and other stakeholders should identify others in the course of implementing the strategy. There is also no direct, one-to-one correlation between the strategic components and proposed types of assistance. Some of the assistance suggested may correspond to two or more of the strategic components.

20. Since this proposed strategy intends to build upon current initiatives and promotes greater collaboration, existing or recently concluded initiatives are listed to connect the proposed activities to existing ones. This strategy also aims to pursue previous efforts of defining a role for NGOs in the pursuit of development in Palestine *(see box below)*. They are consistent with the result of consultations with NGOs on the intended mandate

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Previous Efforts to Define Role of NGOs in Palestinian Society

During the next period, which may be relatively calm, owing to the Road Map initiative, it is expected that the Palestinian civil society will:

    (a)   Pursue its role in providing emergency and developmental services to the Palestinian people;

    (b)   Affect legislation and public policies of the PNA;

    (c)   Develop institutional and organizational capabilities as well as the human resources of NGOs;

    (d)   Enhance cooperation, coordination, networking and consultation among various civil society institutions and organizations, the private sector, donors and United Nations entities in order to guarantee a real and fruitful development process.

Arab-International Forum on Rehabilitation and Development in the Occupied Palestinian Territory
Consultative Meeting
Beirut, 29-30 July 2004

The Various Roles and Strategies of Palestinian NGOs in the Current Situation

NGOs have formulated a number of strategies with a view to realizing the concept referred to above. In this context, reference may be made to the following:
    (a) Advocacy strategy:
        (i)   Lobbying for change in laws and legislation, regulations, procedures and the general policies of
            decision makers as a whole and the Palestinian National Authority in particular;
        (ii) Gaining the support of regional and international public opinion for Palestinian national rights;
        (iii) Influencing the process of the reform of the Palestinian National Authority institutions that is
            currently being carried out.
    (b) Awareness building strategy;
    (c) Service provision strategy;
    (d) Institutional, organizational and human resource development strategy;
    (e) Networking, coordination, consultation and cooperation strategy.

A Broader Concept of the Role of Palestinian Non-Governmental Organizations in the Development Process
Arab-International Forum on Rehabilitation and Development in the
Occupied Palestinian Territory: Towards an Independent State
Beirut, 11-14 October 2004

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and functions of the NGO Development Center (NDC).[25] [26] Finally, institutional arrangements are suggested, where applicable, to give beginning ideas of how collaboration can take place. Reference is also made, when possible, to global best practices and advance initiatives related to those proposed.

20.1. *Objective 1: Increase effectiveness and efficiency in delivery of services in complementarity with other service providers*.

20.1.1. *Strategic components*.
20.1.1.1. *Drawing up a national development agenda and sectoral plans and in the delivery of services*. It is highly recommended that organizing service delivery start from a broad consensus on a strategic national policy direction for the coming years. This national policy framework will provide a strategic rationale for the delivery of services. The Ministry of Planning's Medium Term Development Plan[27] is a good starting point for this since it was formulated through a multistakeholder process and it employs key indicators and statistics that define the limits and possibilities for growth within the period. It also identifies vulnerable groups that urgently need attention as well as priorities for investments given foreseeable scenarios. Through the MTDP, the government vows to take leadership in aid coordination and has created 4 groups to refine the strategy. It is suggested that NGOs participate actively in these strategy groups to bring in the community's as well as their own perspective in designing specific sectoral plans and priorities. In addition, more focused discussion and organizing should also be explored outside of the MTDP/PNA process in specific sectoral concerns calling upon NGOs, private sector, donor agencies and other stakeholders who have particular interest and resources in specific sectors (e.g. education, health, livelihood and employment, etc.). These efforts will also serve to mitigate accusations that NGOs are duplicating government's services.

20.1.1.2. *Strengthening networks/ coordinating bodies and creating partnerships in service delivery*. Networks are natural structures to create collaboration among NGOs. The relationships that have been established among their members are valuable capital in creating synergies in service delivery. Apart from the broad networks and coalition of NGOs, there are several sectoral networks that have already been established (i.e. in health, agriculture, water and environment, among others).[28] These networks and coordinating bodies should be harnessed in achieving consensus on strategic direction and priorities in the delivery of basic services as well as specific partnerships among NGOs and between NGOs and the government, private sector and donor agencies. Partnerships should also be explored between NGOs and academic institutions that could provide hard skills in research, participatory practices, and

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[25] *The NDC shall assume the management responsibilities of the PNGO project of the World Bank in phase III. Fourteen broad-based consultations that were attended by 244 PNArticiPNAnts were conducted by the PMOin West Bank and Gaza to seek feedback and recommendations on the proposed mandate of the NDC. See Shaheen, Mohammad, "Report on the NDC Broad-Based Consultations", Welfare Association Consortium, June 2006.*

[26] *Shaheen, Mohammad, "Report On the NDC Broad-Based Consultations", Welfare Association Consortium. June 2006*

[27] *Ministry of Planning, Medium Term Development Plan 2006-2008, Executive Summary. 14 December 2005*

[28] *These were identified in interviews with various stakeholders. A copy of the notes on the interviews conducted and the FGDs may be obtained by request from the PMO.*

program evaluation, among others. All of these efforts will serve to mitigate criticisms of inefficiency and unhealthy competition among NGOs.

20.1.1.3. ***Institutional capacity building in service delivery***. Inefficiencies in service delivery can often be traced to institutional weaknesses of service providers. At the same time, capacity building to address NGOs' weaknesses in service delivery needs to be approached in a holistic manner since many organizational weaknesses are interrelated. A strategic, purposive capacity building agenda needs to be drawn up that target improving the organizational capacity of small NGOs and CBOs in service delivery as an initial intervention in institution building. The long-term agenda must encompass the full range of organizational activities from beneficiary needs assessment to performance evaluation. Particular attention must be given to promoting the use of participatory planning and impact assessment methods and tools to address the issues of poor targeting that have been uncovered in PNGO II (as well as perhaps in other donor programs and projects).[29] Successes in this level of intervention for small NGOs and CBOs can pave the way for higher levels of institution building at a later time.

20.1.1.4. ***Promoting standards and benchmarks in delivery of basic services***. One of the strategies to promote efficiency and effectiveness in service delivery is to establish benchmarks from which the delivery of such services can be measured. Parallel efforts need to be made to identify strategic interventions to promote effectiveness and efficiency in basic services delivery even while coordination mechanisms are being established to achieve this objective.

Over the past eight years, the University of South Carolina's Institute for Public Service and Policy Research has encouraged organizational learning via its local government benchmarking projects. The South Carolina Municipal Benchmarking Project has provided municipal managers with opportunities to share best practices and has served as a catalyst for service delivery improvements in key municipal services of police, fire, sanitation, and parks and recreation. The project has used a multi-pronged approach for helping municipalities achieve this goal—sharing performance measurement data, discussing service delivery challenges and best practices, and targeting research and analysis. In 2002, a similar effort was initiated with counties in South Carolina. Among the areas included in the S.C. County Benchmarking Project have been building inspections, roads and drainage, fleet services, and EMS.

Facilitating Organizational Learning: A New Approach for South Carolina Local Government
http://www.ipspr.sc.edu/ejournal/ej0506/facilitating%20organizational%20learningr.pdf#search=%22Facilitating%20Organizational%20Learning%3A%20A%20New%20Approach%20for%20South%20Carolina%20Local%20Government%22

20.1.1.5. ***Institute flexible and responsive planning and implementation mechanisms incorporating development perspectives in delivery of services (i.e., linking relief and emergency interventions to development perspectives and priorities)***. The Palestinian NGO community is dominated by small NGOs that are narrowly focused on delivering basic services.[30] These small NGOs need assistance to enable them to incorporate a development agenda and an empowerment dimension in their service delivery work. This is where the national policy agenda and the network collaboration (earlier suggested) are important. Small service delivery NGOs should be

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[29] *Cameron, John and Khalid Nabris, Douglas Saltmarshe, Saber Ashour, "Impact Assessment for the Palestine NGO Project Phase II (Draft)", Welfare Association Consortium. August 2006.*
[30] *Palestine Economic Policy Research Institute, "Mapping of Palestinian Non-Governmental Organizations in the West Bank and Gaza, Welfare Association Consortium. May 2001*

brought into national policy discussions directly or indirectly and provided with inputs to help them understand and explain to communities that the assistance they receive should not be permanent and why such assistance is coming to them at this time. They may also need to be provided with tools on how to use empowerment methods in service delivery such as food for work where the community is organized to do work in community improvement in exchange for the food aid that they receive. They can also use aid distribution as a means of organizing group discussions to create awareness among the community about local and national issues.

20.1.2.   ***Proposed types of assistance and related initiatives***. The following types of assistance should be explored by donors and other resource institutions in achieving this objective.

20.1.2.1.   *Support for delivery of services in areas identified by networks and coordinating bodies as priorities*. Assistance should continue to allow NGOs to deliver basic services. However, such assistance should be increasingly focused on priorities identified by coordinating networks and/or on collaborative projects in basic services delivery. It is not suggested here that assistance in basic service delivery should henceforth be limited to these networks. What is recommended is that donor agencies and resource institutions provide incentives to encourage NGOs to directly participate in these networks and/or relate delivery of such services to those that have been identified as priorities by these collaborative mechanisms. This will promote greater cooperation and collaboration among NGOs, reduce competition, create synergies and create a better image of NGOs as responsible social institutions in the eyes of the public. This will also serve to create a more coherent and more effective voice among NGOs in shaping the national agenda in delivery of basic services towards governments and donors.

20.1.2.2.   *Support NGO sectoral networking activities (health, education, agriculture, social protection, etc.)*. To advance the recommendations above, it is suggested that sectoral networks be supported in creating collaboration in identifying priority areas or groups, existing projects that can be linked, common facilities that can be used by different groups, etc. It was learned from stakeholder interviews that there are advance initiatives in agriculture and water and environment sectors. In agriculture, NGOs have created a large database of projects which they intend to use for creating collaboration arrangements. In the water and environment sectors, NGOs have established an e-group in which they regularly exchange information on projects with the end in view of promoting closer collaboration among them[31]. These and similar initiatives should be supported as they will go a long way in creating efficiencies in delivery of services while also establishing effective modes of collaboration that can be explored in the future.

20.1.2.3.   *Support the formation of cross-sectoral fora/networks to advance dialogue, consensus building and coordination in service delivery across networks; utilize these structures to promote discussion on how emergency can be tied up to development*. Multi-sectoral fora and networks are valuable in creating synergies across different types and specialization of NGOs. For instance, delivery in health services can be harmonized with those in education, etc. This is also where best practices can be more broadly shared and even higher levels of collaboration established. The NGO Resource Center

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[31] *Interview with Dr. Abdel Al Rahman Tamimi and Dr. Ayman Rabi, PNAlestinian Hydrology Group. August 23, 2006.*

and the NGO Forum are two multi-sectoral networking efforts that can be utilized for this purpose. There are others that can be explored.

20.1.2.4. *Support coordination, collaboration and partnerships in service delivery among the NGOs and between them and other stakeholders, especially local authorities, CBOs, and public sector institutions*. Collaboration between NGOs and other sectors should be encouraged to further increase effectiveness and efficiency in service delivery. NGOs should be encouraged to harness the competencies and resources of other stakeholders to complement their own.

Points of Light 50-51: Partnership of Civil Society Organizations, PNA Institutions and the Private Sector for Poverty Reduction

Point of Light 50: National Commission for Poverty Alleviation
The Commission's membership consists of representatives of Palestinian civil society, different ministries, the private sector, UNRWA, Zakat Committees and some donor representatives under the coordination and management of the Ministry of Planning. The Commission published the first Palestinian poverty report with support from UNDP. Then, it conducted extensive research on poverty in Palestine using the Participatory Poverty Assessment approach with support from the United Kingdom. The publication of the poverty report initiated high-level discussion among stakeholders in the development process on major issues related to poverty. Most importantly, this process helped formulate a relevant Palestinian antipoverty strategy agreed upon by the majority of stakeholders.

Point of Light 51: The Human Development Report
The publication of this report is supervised by the Birzeit University DSP in cooperation with two committees: one advisory and the other inter-ministerial. The two committees represent stakeholders in the development process from the NGO sector, the PNA and the private sector in cooperation with the Ministry of Planning and with support from UNDP. The regular publication of this report, as well as the preparatory work required for its publication represent a significant contribution to the strengthening of relationships among different stakeholders groups and in identifying primary strategies for human development and poverty eradication.

Palestine Human Development Report 2004, p. 108

20.1.2.5. *Funding for policy research and development to improve service delivery (e.g. benchmarking delivery of services)*. Benchmarking is becoming a popular approach to creating efficiencies in basic services delivery. Several methods of benchmarking have been developed in different countries, some of which may be applicable to the Palestinian setting. [32] Some of these efforts are either focused directly on interventions at the management side of service delivery while others deal with surveying satisfaction from the client side. Investments in research in benchmarking delivery of basic services will go a long way in creating long-term efficiencies.

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[32] *See for instance: eGovernment indicators for benchmarking eEurope. 22 February 2001 (http://ec.euroPNA.eu/information_society/eeurope/i2010/benchmarking/index_en.htm); Asian Development Bank, "Technical Assistance to the Republic of Indonesia for Local Government Provision of Minimum Basic Services for the Poor". November 2002; South Africa Public Service Commission, Citizen Satisfaction Survey. April 2003 http://www.info.gov.za/speeches/2003/03040914461002.htm.*

Point of Lights 16-19: Coping Mechanisms within the Palestinian Society

One of the most significant examples of empowerment in Palestine is the mobilization of Palestinian self-reliance, in a manner that enhances a collective ability to stand firm in the face of the occupier. Self-reliance may well be one the most important aspects of Palestinian empowerment, reflecting the Palestinians creative and successful approach to a constantly changing set of negative circumstances. The following examples illustrate adaptive developmental situations within Palestinian society in previous years:

Point of Light 16 • Self-sufficiency through Organic Agriculture: The idea behind this initiative is based on the development of land reclamation practices and chemical-free agriculture using local resources alone. The initiative was launched by a Palestinian returnee, who had decided to live and invest in his homeland. The project expanded within five years to include animal husbandry (cows, sheep and poultry), and the venture's revenues fully covered his family's needs and expenses. He was even able to start marketing his produce within the local community.

Point of Light 17 • Rabbit Farm Prototype in Al Shawkeh Village: The particular relevance of this developmental initiative, implemented by the Rural Woman Development Society (RWDS), resides in the fact that it provides a model for working with poor rural women, one of the most marginalized segments of Palestinian society. One of the RWDS's biggest accomplishments was to identify available skills within the community and evaluate the needs of these women in order to create appropriate projects. Women were involved in all of the project's stages, from implementation to marketing the final products. The pilot rabbit farm was built at the end of 2003 with very limited resources (approximately $7,000). It now has 92 productive rabbits. The whole project is conducted under technical and medical supervision to safeguard project assets and to maximize production. (The capital investment is expected to be fully recouped within 2 years.)

Point of Light 18 • Union of Agricultural Relief Committees (Savings and Lending Program): The Savings and Lending Program initiative allows small group of rural women to pool their savings, and then periodically offer micro loans to union members from the pooled capital for purposes related to the development and empowerment process within the community.. The Union of Agricultural Relief Committees now has 5065 members in 12 separate savings and credit associations. The micro loans are most often used to finance women's education and training needs, or to provide start-up capital for micro businesses within the community.

Point of Light 19 – Union of Women's Social Work Committees/ Women's Psycho-social Counseling Center (Job Creation Program): This project provides training in the production of handcrafts to poor women, and then purchases the handcrafts produced for resale.

Palestine Human Development Report 2004, p. 37

Assistance in promoting best practices and in networking in micro and small enterprise development. Microenterprise development is one of the key sustainable interventions of NGOs to promote self-reliance among the poor. A recent World Bank paper[33] estimates that there are currently around 27,000 clients of microfinance and that the demand for microloans can reach up to $200 million for around 150,000 potential microborrowers in Palestine. Unfortunately, the paper also reports that the current situation in Palestine may not be ripe for microfinance to become sustainable. On the other hand, it makes a number of recommendations that can create the enabling environment for this intervention in the future. The box above contains a small collection of micro and small enterprise initiative of rural Palestinians. This demonstrates that

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[33] *Khaled, Mohammed, Kate Lauer, and Xavier Reille, "Meeting the Demand for Microfinance in the West Bank and Gaza", CGAP. January 2006*

there is an entrepreneurial base (albeit perhaps quite narrow at this time) from which microenterprise can be developed. A major capacity building program should be undertaken to pursue the following recommendations of the Word Bank study on microfinance: (*i*) capacity building for the various actors; (*ii*) the infrastructure supporting microfinance as well as transparency and accountability of MFIs; (*iii*) funding; (*iv*) the regulatory and policy framework for financial institutions providing such services; (*v*) a government policy toward poor Palestinians who are not ready to be consumers of conventional microfinance services; and (*vi*) better analysis of unmet demand for financial services among the Palestinian poor and microenterprises. [34]

20.1.2.6. _Technical assistance in better targeting in delivery of services_. Recent findings of the Impact Assessment for PNGO II indicate weaknesses in NGO targeting of poorest beneficiaries.[35] Observations were particularly made regarding the weak participation of beneficiaries in identifying local needs and marginalized groups within beneficiary communities. There is robust evidence to prove that effective targeting can increase access to the poorest up to a quarter more than random allocations.[36] Investments should be made in increasing capacity of NGOs (particularly the smaller ones) to do better targeting of beneficiaries, using such methodologies as participatory planning, monitoring and evaluation systems and beneficiary feedback/impact assessments.

20.1.3. **_Related recent and current initiatives_**. Following are some initiatives, programs and projects that have been identified related to the types of assistance suggested above.
20.1.3.1. Partnership grants in PNGO II (and most probably in PNGO III). This program will support service delivery by NGOs in a number of pre-defined programmatic areas. Its objective is to promote partnerships between NGOs, local governments or other actors for the delivery of priority services for marginalized groups or those in isolated geographic areas.[37]

20.1.3.2. Sector quality enhancement grants in PNGO II (to continue in PNGO III). This would support competitive grants which aim to improve the quality of service delivery within a specific sub-sector. The grant would allow NGOs to draw on international best practice examples either to pilot new innovative approaches or to scale-up good practice examples. The experiences will then be shared among other NGOs intervening in a similar sub-sector. Exchange of best practice experiences among Palestinian NGOs and international ones will also be supported. [38]

20.1.3.3. The World Bank microfinance study reports that Agencia Española de Cooperacion International (AECI) of Spain is interested to embark on a capacity building effort for MFIs in Palestine in cooperation with CGAP.

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[34] *See Also Finnegan, Gerry (Ed), "Micro and Small Enterprise Development & Poverty Alleviation in Thailand", ILO and UNDP. Bangkok. February 2000.*

[35] *Cameron, John …*

[36] *World Bank, "Targeting" http://www1.worldbank.org/sp/safetynets/Targeting.asp. September 4, 2006.*

[37] *World Bank, West Bank and Gaza, "Aide Memoire for the Consultative Mission, PNAlestinian NGO III Project". April 30 – May 10, 2006*

[38] *World Bank, West Bank and Gaza …, p.6*

20.1.4. ***Institutional arrangements***. Following are some of the means by which the foregoing recommendations can be operationalized.

20.1.4.1.   In PNGO II, there was a partnerships grant where big NGOs would provide capacity building support to small NGOs. In the subsequent phase, the NDC (which will succeed the PMO) should explore providing small NGOs the resources so that they chose their partner (rather than the other way around) to prevent patronage relationship from developing between big NGOs and small NGOs.

20.1.4.2.   Several international NGOs in Palestine are already organized under AIDA. This structure should be explored as a platform for organizing collaboration efforts between local and international NGOs.

20.1.4.3.   In Indonesia there is a partnership mechanism between Indonesian NGOs and International NGOs (INGOs) called INFID (International NGO Federation for Indonesian Development).[39] INFID was established in 1985 and has been effective in terms of aid coordination and global advocacy for Indonesian causes. Palestinian NGOs could explore this kind of a partnership/ collaboration INGOs. International NGOs have the flexibility to do advocacy unlike donor agencies. INGOs can be effective in promoting Palestinian sovereignty in their respective home countries as well as advocacy to their government in upholding Palestinian interest.

20.2.   Objective 2: Improve governance practices of NGOs.

*20.2.1.   **Strategic components**.*
20.2.1.1.   <u>*Strengthening the transparency and accountability of NGOs towards their constituencies*</u>.   A recent study of Bisan Center confirms popular perception about the poor governance practices of many NGOs towards communities that they work with.[40] Among other findings, the study determined that only a minority of NGOs surveyed provided copies of their financial report to the communities that they worked with and more than half were not willing to make such reports public. Applying good governance practices do not only increase NGOs' sense of social responsibility they also serve to create stronger ties between them and the community.   Such a partnership that is based on principles (rather than utilitarian relationship) strengthens the social fabric and promotes socially responsible behavior that increases citizens' vigilance against corrupt practices among other sectors of society.

20.2.1.2.   <u>*Promoting strategic thinking and competence among NGOs*</u>. Part of good governance is establishing a long view of one's work that is rooted in the organization's core mission. Unfortunately strategic thinking is a luxury for many NGOs who are too focused on delivering services and too busy chasing funds from one project to another. The instinct in capacity building interventions is usually to give training in strategic planning to address this problem. However, small or inexperienced NGOs may not have the capacity to develop the required organizational system to implement a strategic plan even if they learn how to prepare one. Another approach might be to help these NGOs locate their services in the current socio-economic and political context of the nation. More experienced NGOs and/or the networks of NGOs should probably invest in orientation/discussion sessions that assist smaller NGOs in finding their place in the

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[39] *See* http://www.infid.be/index.htm
[40] *Bisan Center for Research and Development, "The Role and Performance of PNAlestinian NGOs in Health, Education and Agriculture". World Bank. December 19, 2005.*

larger scheme of the national crisis. Such discussion would be an opportunity to inject strategic thinking in them and could, eventually, lead them to more proactive programming.

20.2.1.3. *Instituting participatory planning and management modes of operation*. Although the relevance of participatory practices was already pointed out in previous sections, the awareness and capacity to ensure participation of beneficiaries or clients in planning, implementation and evaluation needs to be viewed by NGOs not just as a measure of efficiency and effectiveness but also as a good governance practice. Client participation in NGO decision-making also ensures that the NGO remains consistent with its mission of serving the poor and disadvantaged and not merely propagating its own interest at the expense of its clients.

20.2.1.4. *Improving the legal and regulatory enabling environment for NGOs*. This enabling environment must be a combination of legal measures on the part of government as well as self-regulation measures on the part of the NGO community. Legal measures need to be a minimal set of regulations that NGOs should fulfill in order to establish their legal identity and accountability. At the same time, NGOs need to be a step ahead in instituting their own self-regulatory system to demonstrate their capacity to regulate themselves and prevent the need for government to institute stricter regulatory measures which could be used to stifle NGOs' liberty and autonomy in the future.

20.2.2. ***Proposed types of assistance***.
20.2.2.1. *Promoting broader utilization of good governance practices, self-assessment, M&E and strategic planning tools*. Support should be given to propagating published materials (handbooks, training manuals, etc.) on strategic management, participatory management and self assessment tools. It might be worthwhile for the NDC to do a survey of such materials and institutions conducting training (if such has not yet been done) and make this information public. Donors can give this information or provide technical assistance to grantees that they feel need help in improving their governance in obtaining these materials and/or the services of these institutions.

The Central and Eastern European Center for Nonprofit Law published a Handbook on NGO Governance which contains a rich collection of information and tools to improve NGO governance.   It is organized along 8 principles and guidelines for good NGO governance as follows:
- NGOs are accountable to their communities
- Good governance is a basic form of accountability
- Good governance has a formal structure
- Good governance is the separation of governance and management
- NGOs are mission based organizations
- NGOs promote the highest professional ethical standards
- NGOs exercise responsible resource management and mobilization
- NGOs are responsive to the communities they serve

A Handbook of NGO Governance
Central and Eastern European Working Group on Nonprofit Governance

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20.2.2.2. *Supporting the propagation of the Palestinian NGO Code of Ethics.* Support should be given to building consensus on the draft Code of Ethics which has been recently completed but still needs further discussion among a wide constituency of

NGOs.[41]   Copies of the draft should be widely disseminated seeking comments and suggestions from NGOs, particularly those in distant areas.   A major conference to approve the Code should be supported because this can be a venue to discuss governance issues among NGOs. Later, a campaign should be waged to get NGOs to discuss and sign the Code. It should also be ensured that copies of the Code are given to all NGOs when they register or renew their registration with the Ministry of Interior. NGOs should be encouraged to establish a mechanism to enforce the Code among themselves, a proposal of which is contained in the draft Code.

The CODE-NGO Whitelist Project in the Philippines

The Caucus of Development NGO Networks (CODE-NGO) in the Philippines was one of the pioneers in establishing a code of conduct for NGOs. It established its Code of Conduct for Development NGOs in 1991. When the Philippines-Canada Human Resource Development (PCHRD) Program, an NGO program which CIDA funded with C$25 million, ended in 2000, there were about 1,000 NGO grantees who failed to comply with their contractual obligations (i.e. no final report, unliquidated funds, etc.). PCHRD turned over the list to CODE-NGO and asked them to go after these NGOs as a way of enforcing its Code of Conduct. After almost a year of going after the grantees in the list, about 100 still failed to comply with their reportorial obligations. CODE-NGO informed these organizations that they would publish a list of those that failed to comply with their obligation after a set deadline and disseminate the same to donors, government agencies and other international institutions.

After the deadline elapsed, CODE-NGO published the list of NGOs (which it called the "whitelist" instead of the derogatory black list) and sent this list to all government agencies and donors operating in the Philippines. A letter accompanied the list that merely said that the NGO grantees in the list failed, despite due process, to comply with their agreed upon obligation to PCHRD. Of the 100 or so that made it to the list, only 11 were members of CODE-NGO. All these 11 NGOs were removed from the roll of members of CODE-NGO.

Report on the Whitelist Project of CODE-NGO
CODE-NGO National Secretariat

20.2.2.3. *Assistance in developing appropriate transparency and accountability measures.* Donors need to take responsibility in promoting good governance among their grantees.   Screening of proposals should include examining the extent of transparency and accountability practices of proponents. If such practices are non-existent or weak, donors should explore different ways of giving incentives to NGOs to increase good governance practices without imposing these on them. For instance, apart from previous suggestions of making information of where to get assistance available to them, donors can encourage NGO grantees to make their financial reports public, particularly to the communities for which the grant was intended.

20.2.3. *Related recent and current initiatives.*
20.2.3.1.   One of the plans that emerged from the creation of the NDC is to establish an accreditation system for NGOs as a way of enforcing the proposed Code of Ethics for Palestinian NGOs. This plan should be pursued in the future because it will demonstrate how serious the NGO community is in policing its own ranks. The NDC should carefully study the experience of similar efforts in other countries. One of the earliest efforts in establishing a government sanctioned NGO certification system is the Philippine Council

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[41] *Code of Ethics for PNAlestinian NGOs - First Draft. June 2006*

for NGO Certification (PCNC) in 1995.[42] It took PCNC almost a year to establish its certification system and more than 3 years to get government recognition for it. Now, after more than 10 years in existence, PCNC has only certified about 1,000 NGOs of the more than 6,000 that it expected would seek certification. Many small NGOs are still skeptical about applying for certification because they feel they cannot install the systems necessary to comply with PCNC standards. More efforts should be placed in assisting small NGOs install good governance practices before certification/ accreditation is considered.

20.2.4.   *Institutional arrangements*.
20.2.4.1.   In PNGO II, the Partnership Grant gave assistance to big, experienced NGOs to provide capacity building support to relatively inexperienced NGOs. The reverse should be explored where NGOs needing institution, capacity building support would be given a voucher with which they can chose to contract the services of big NGOs. This will empower smaller NGOs and enable them to select partners on a competitive basis and prevent a patronage relationship where small NGOs become dependent on the aid given to them by big NGOs.[43]

20.2.4.2. One way of promoting compliance with transparency and accountability standards among NGOs is to put the onus of ensuring compliance with standards on NGO networks. This way this effort becomes an effort of NGOs rather than an imposition of donors. This is also a way of promoting networking among NGOs while increasing the relevance of networks.

20.3.   Objective 3: Strengthen civil society and democracy (increase the relevance of NGO work in promoting democracy and civic participation).

20.3.1.   *Strategic components*.
20.3.1.1.   *Creating multistakeholder discussions on the key issues of national import: development of national vision, role of different stakeholders in society, good governance, and democratic principles*. Dialogue among stakeholders is crucial in the course of shaping the national development agenda. NGOs should take leadership in civil society's role of building social capital in order to promote social consensus. The Social Capital Gateway defines social capital as: "… *the set of trust, institutions, social norms, social networks, and organizations that shape the interactions of actors within a society and are an asset for the individual and collective production of well-being.*"[44] Further, the World Bank states that *"[I]ncreasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together."*[45]

20.3.1.2.   *Advocacy for good governance and corporate social responsibility (CSR) towards the private sector*.   Even while building partnerships with the private sector,

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[42] *For more information about PCNC see its website at* http://www.pcnc.com.ph/CivilSoc.PDF

[43] *Recommendation by Sami Khader, Ma'an Development Center, during NGO FGD in Ramallah, August 19, 2006.*

[44] *Social Capital Gateway, "What is social capital", http://www.socialcapitalgateway.org/. September 7, 2006*

[45] *World Bank, "Social Capital for Development", http://www1.worldbank.org/prem/poverty/scapital/whatsc.htm.   September 7, 2006*

NGOs should press for public interest reforms towards them. The current phenomenon of private sector reform initiatives in good corporate governance and CSR are a result of aggressive campaigns of civil society organizations. Palestinian NGOs should champion these causes towards the local private sector to increase consciousness and practice on these matters. CSR is becoming widely understood as a company's obligation to be sensitive to the needs of all of its stakeholders. It is closely linked with the principles of sustainable development in proposing that enterprises should be obliged to make decisions based not only on the financial/economic factors but also on the social and environmental consequences of their activities.[46] The need for NGOs to improve their own practice of good governance in order for them to be credible in pushing this concern should not prohibit them from advancing this cause towards the private sector.

20.3.1.3. *Advocacy to influence public policy and governance*. One of the highest expectations of stakeholders is for NGOs to perform an advocacy role towards government. Issues of good governance, democracy, human and civic rights, and responsiveness to the needs of the poor and marginalized as well as performing watchdog functions to curtail graft and corruption in government are the traditional domain of NGOs and civil society organizations. Unfortunately, there is currently a small minority of NGOs and CSOs performing this role in Palestine. Efforts must be made to expand the ranks of those that are engaging in this undertaking.

20.3.1.4. *Promoting and creating models and platforms for non-violent conflict resolution and social/cultural/ideological interactions*. Another important role of NGOs and civil society organizations is best captured by the concept of *bridging leadership.* Synergos, the champion of this new concept, defines bridging leadership as: "*a style of leadership that focuses on creating and sustaining effective working relationships among key partners and stakeholders. By "bridging" different perspectives and opinions often found across the breadth of different stakeholders, a common agenda can begin to be developed and shared in order to find solutions to social and economic problems.*"[47] Bridging leadership is a more active expression of building social capital as it attempts to resolve social conflicts instead of merely creating relationships. This is a very essential intervention at a time when many stakeholders feel that Palestinian society is experiencing social fragmentation.

20.3.1.5. *Promoting international solidarity and advocating regional and international support to Palestinian national rights and aspirations*. Another popular expectation of NGOs is the role of building international solidarity for the Palestinian cause. This would entail participation in regional and international civil society conferences and active membership in international networks. As vital change agents in Palestine, NGOs are trusted to effectively articulate and champion the Palestinian cause in the international community. They also have the opportunity to build international links through the regular civil society conferences and fora. On the other hand, NGOs need to be more accountable in performing this responsibility. Participation in these international gatherings in representation of national interest should entail: (a) faithful representation of the views and consensus (if available) of stakeholders on particular issues of interest, and (b) reporting back the result of such undertaking to a broader audience of NGOs

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[46] *Wikipedia, "Corporate Social Responsibility",* http://en.wikipedia.org/wiki/Corporate_social_responsibility. *September 7, 2006*

[47] *Synergos, "Resource Center for Bridging Leadership", http://www.synergos.org/bridgingleadership/. September 7, 2006. See also case studies and training materials on Bridging Leadership in this website.*

and becoming transparent about the resources that are mobilized in the process. The legitimacy of representation in these international gatherings can only be sustained in the long-run if such accountabilities are exercised.

20.3.2. ***Proposed types of assistance***.

20.3.2.1. *Support multistakeholder dialogues on issues of democracy, human and civic rights and national sovereignty*. Support must be provided to multistakeholder dialogue and discussion either on broad or specific issues of national interest. It is only through such interaction that social capital can be established even if consensus is not reached. Dialogue must be promoted as a means for bridging social conflicts. This can only be established through constant practice.

20.3.2.2. *Support for publication and dissemination of materials arising from these dialogues and conferences*. The multistakeholder dialogues must be documented, published and widely disseminated, especially to NGOs and CBOs in distant areas, so that those that were not able to participate in them can also benefit from these interactions. These published materials can be used by NGOs in raising awareness of people in the community and getting them involved in national discussions. Further, social consensus can only be developed over time if subsequent discussions build upon previous discussion that have been carefully documented and widely disseminated. NGOs that have websites should also be requested to post these documents.

20.3.2.3. *Capacity building in policy development and advocacy*. It is an established fact that NGOs have a difficult time transcending the role of service delivery agents to policy advocates. Quite often a small, elite group of CSOs do policy advocacy in behalf of a much larger number of NGOs who are oblivious to this very important function in a democracy. Effective advocacy and influence on public policy can only be achieved if NGOs and CSOs hone their policy development skills. Investments need to be made in developing and popularizing these skills so that the base of policy advocates can be increased, especially at the local level.

20.3.2.4. *Support studies and research in democracy, human rights and other related issues*. Part of capacity building for policy advocacy is supporting research work to enrich knowledge in these policy issues. Even highly skilled policy advocates can only be effective if they have good research to back their advocacies. Assistance should be provided to research that will translate civil society issues into public policy.

20.3.2.5. *Support for building capacity in participation in public expenditure management*. The leading edge in civil society policy advocacy is engaging government in the way it raises and spends people's money. This involves participation in formulating government's budget, monitoring and evaluating effectiveness of public expenditures. Since there is currently a scarcity in public resources, an important aspect of NGO coordination with government is their participation in deciding on budget priorities in service delivery. This is an important policy area where government may need a lot of help from NGOs. It is equally important for NGOs to monitor the disbursements of budgeted funds as well as the effectiveness of the programs and projects that are funded by government. This is also where participatory assessments can be of great importance. [48]

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[48] *See Accountability to the Poor website at*
http://lnweb18.worldbank.org/ESSD/sdvext.nsf/66PNArentDoc/PNArticiPNAtionandCivicEngagement?Op

20.3.2.6. *Support NGO participation in international conferences and networks*. Assistance must be provided to enable NGOs to participate in international conferences and networking activities in pursuit of international solidarity work. Efforts to consult other NGOs in preparation for international conferences or to report on the result of international work should be equally supported. This is also one way of increasing the value of NGOs networks in previously suggestions.

20.3.3. **Related recent and current initiatives**.
20.3.3.1. The Consultative Meeting for the Arab-International Forum on Rehabilitation and Development in the Occupied Palestinian Territory held in Beirut in 2004, was a very productive exercise in multistakeholder dialogue and consensus building. The meeting was participated in by representatives from government, NGOs/CSOs, the private sector and donor agencies. This is a good starting point in creating more of such types of dialogue in the future.

20.3.3.2. Bisan Center conducted a study on the profile of civil society in Palestine using the CIVICUS Civil society Index. There are plans to conduct this study on an annual basis to monitor the progress of civil society evolution in Palestine. This initiative should be harnessed by groups that will take charge of implementing this strategy in order to determine if NGOs are succeeding in strengthening civil society in Palestine.

20.3.3.3. The USAID has started the Palestinian Legislative Support (PLS) project which aims to build NGO capacities in legislative policy advocacy.

20.3.4. **Institutional arrangements**.
20.3.4.1. Can the Bisan – CIVICUS Civil Society Index be used to monitor how indicators of civil society development are improving in the course of implementing this strategy?

20.3.4.2. The USAID PLS project should be harnessed in building NGO capacities in policy development and advocacy.

20.4. Objective 4: Promote community empowerment and increase people's participation in local development

20.4.1. **Strategic components**.
20.4.1.1. *Create community awareness of national issues and their dynamics with local issues and concerns*. As previously suggested, the community has to be made aware of the deeper reasons why they are experiencing what they are currently going through and must be convinced to remain steadfast in resisting this situation. NGOs need to spend time in relating local problems to national issues in order to make people in the community broadly aware of the national crisis and to keep them in solidarity with other Palestinian communities.

20.4.1.2. *Develop/strengthen local NGO/sectoral/CBO cooperation*. Local communities must be brought into networking and other collaborative activities of NGOs to broaden their understanding of the current situation and to increase their commitment

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endocument for a collection of cases and other learning materials on civic engagements in public expenditure management.

to attaining sovereignty. CBOs must particularly be drawn into such networking activities to promote greater participation and to increase leadership in the community. NGOs must guard against creating an elite culture among them that excludes the community from their interactions.

20.4.1.3. *Create dynamic links between national NGO/sectoral structures and local counterpart structures*. As much as possible, local networks must be established as counterparts of national structures. National discussion, consensus building and dialogue with other stakeholders must include these local structures in order to make such interaction more inclusive and broader in perspective.

20.4.1.4. *Promote an enabling environment to encourage people to participate in local decision-making processes*. Local development committees should be created/strengthened so that the burden of national problems can be shared by the local authorities. This will also allow for local leadership to develop. Development planning committees must be created/strengthened in the governorates to promote NGO/CBO participation in local development planning processes with local authorities and stakeholders.

Given that the tasks of national liberation and society building are linked, emancipatory development must serve as the starting point for the reconstruction of Palestinian society, as articulated in Palestinian literature (and as was pointed out in the 2002 Palestinian Human Development Report), along with securing the inalienable right to self-determination and the right to sustainable human development. For if empowerment means-which it does-expanding people's options so as to expand their participation in the decisions that affect their fates, then the right to self-determination on the collective and individual level is the starting point for the reconstruction of society, as well as the basis for confronting the challenges and obstacles on the path toward liberation and development.

Palestine Human Development Report 2004, p. 17

20.4.2. **Proposed types of assistance.**
20.4.2.1. *Support creation and participation of CBOs in local networks and platforms for dialogue*. Local replication of previously suggested dialogues or locally initiated ones must be supported in order to broaden the base of consensus on national issues. Efforts of CBOs to establish local networks and dialogues should also be supported as these will serve to increase social capital at the local level.

20.4.2.2. *Support publication and dissemination of popular education materials and discussions in local consultative structures*. The result of local dialogues should be published and disseminated to people in the community who were unable to participate so that they will also benefit from the outcome of those efforts and form their own views on important issues. Popular education materials (national issues translated into local dialect and forms that can be more easily understood) must be produced to help increase people's awareness of important national issues.

20.4.2.3. *Capacity building for local NGOs and CBOs in local development planning.* Special effort must be given to develop skills in local development planning towards local NGOs and CBOs. Small local NGOs and CBOs cannot easily participate in local planning processes unless they are equipped with such skills that will enable them to actively participate in these processes. Special efforts must be taken to prepare them to engage in what could be technical and alien processes to them before they are pushed into these processes.

20.4.2.4.   *Support women and youth leadership programs*. Special attention should be given to developing leadership skills among women and community youth; women because they are prone to marginalization in decision-making and youth because they will occupy positions of responsibility in the community in the future.

20.4.2.5.   *Establishment of internet cafes in key local communities and capacity building for use of these facilities for information and communication*. The best way to increase local community access to information is to make internet communication available to them. Small investments in installing a computer with internet connection and training local people how to use this can do wonders in empowering people even in the most remote areas. In India, a local company established internet kiosks in remote villages that enabled farmers to monitor prices of their produce on the internet as well as to access technology electronically.[49]

20.4.2.6.   *Documentation, publication and dissemination of best practices in people's participation in local development*. Experiences in people's participation in local development activities must be documented, published and widely disseminated so that other communities can benefit from such experience.

20.4.2.7.   *Assistance in designing and implementing community-driven development (CDD) type projects*. While this type of project is not really new to NGOs, it is worthwhile to note that it is attracting widespread support from major donors globally. The World Banks' PRSP Sourcebook defines CDD as: "*an approach that gives control over planning decisions and investment resources for local development projects to community groups*". The key feature of CDD is that it enables communities to receive and manage the funds for projects which they themselves will designed, implement and evaluate with the assistance of NGOs or local authorities. Initiating this type of projects will enormously increase participatory practices and community capacity in pursuing their own ideals of development. It will reduce the impression of NGOs being disconnected from the community and will push community empowerment to the cutting edge.[50]

20.4.3.   **Related recent/current initiatives**.
20.4.3.1.   UNDP will launch a participatory local development planning program in which NGOs and other civil society organizations are expected to be one of the main actors. There should be efforts to link with this program of UNDP to achieve the objective of increasing people's participation in local governance.

20.4.3.2.   One of the components of PNGO III is support for the implementation of joint activities between NGOs and local governments with a view of promoting local

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[49] *Annamalai, Kuttayan and Sachin Rao (supervised by C.K. Prahalad), "The EID PNArry Story", in Prahalad, C.K. The Fortune at the Bottom of the Pyramid, Wharton Publishing. 2005*
[50] *For more information on CDD, see the CDD site of the World Bank at http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPNACIFICEXT/EXTEAPREGTO PSOCDEV/0,,contentMDK:20327355~menuPK:746774~PNAgePK:34004173~piPK:34003707~theSite K:502940,00.html. See also Singh, Janmejay and Danilo Songco, "A Review of Community-Driven Development and Its Application to the Asian Development Bank ", Asian Development Bank. October 2006 (Forthcoming)*

coordination of interventions and ensuring sustainability. This component will be designed in close collaboration with the Municipal Finance Project of the World Bank which is receiving support from the GTZ.

20.4.3.3.   The Ministry of Planning and International Cooperation & UNDP published a study on "The Poor Speak Out: National Report on Participatory Poverty Assessment (Voice of the Palestinian Poor)". This is a remarkable initiative to give attention to the voices of the poor in policy discourses. Hopefully this study can be done on a regular basis so that there is increased sensitivity to the aspirations of the poor and their views on national issues.

20.4.4.   ***Institutional arrangements***.
20.4.4.1.   If it has not done so yet, Paletel, the local internet service provider, may want to provide internet connection to public schools, particularly in remote areas. Local companies can provide the computers and NGOs can assist in training local people in computer literacy. This facility can be opened for use by local communities as a way of making information communication technology available to them.

20.5.   Objective 5: Promote sustainability of NGO development work

20.5.1.   ***Strategic components***. As earlier noted, efforts to achieve sustainability of development work needs to look beyond the sustainability of NGOs per se. The new notion of sustainability also goes beyond financial concerns. Two useful references in this regard are provided here. The box below on the changing landscape of NGO work in the 21st century presents a view of changes that are taking place in the structure, operation and paradigm of NGOs from the 20th century. It is borrowed from: *The 21st Century NGO: In the Market for Change.* It gives a perspective of NGO change management from a market perspective.[51]   Another relevant reference is the NGO Sustainability Index for Central and Eastern Europe and Eurasia, a tool used by USAID's Bureau for Europe and Eurasia to study the strength and overall viability of NGO sectors in each country in the region. The study looks at indicators of sustainability in seven areas: *Legal Environment, Organizational Capacity, Financial Viability, Advocacy, Service Provision, (social) Infrastructure, and Public Image.* The Index has been used for the past 9 years to monitor the changes in the sustainability of NGOs in this region.[52] Following are the key elements that are proposed to be considered as a broad approach to sustainability.

20.5.1.1. *Economic Sustainability*. The most common element of sustainability is attaining economic self-sufficiency. Some ideas to pursue this component are:
- *Documentation of global and local best practices in initiatives for financial sustainability of NGOs*. A study of the International Center for Non-profit Law (ICNL) on NGO financial sustainability practices in Eastern Europe[53] gives a summary of

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[51] *SustainAbility, "The 21st Century NGO: In the Market for Change", UNEP, UN Global ComPNAct. 2003*

[52] *United States Agency for International Development, Bureau for Europe and Eurasia Office of Democracy, Governance and Social Transition, "The 2005 NGO Sustainability Index for Central and Eastern Europe and Eurasia", Ninth Edition. May 2006.*
http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2005/complete_document.pdf. September 8, 2006.

[53] *Moore, David, "Laws And Other Mechanisms For Promoting NGO Financial Sustainability", International Center for Non-profit Law. 2005.*

models of financial sustainability below; some of these can be applicable to Palestine.

- *Government Funding*
- *Percentage Philanthropy* - legal mechanisms allowing taxpayers to allocate a certain percentage of their tax payment to beneficiaries
- *Privatization Proceeds* - creating an endowment fund which will receive a percentage of all privatization proceeds of government
- *Private Philanthropy*
- *Community Foundations* - a local not-for-profit organization that works to gather, manage and redistribute local resources for the good of the community.
- *Volunteerism* - contributions of time represented by volunteers
- *Self-Generated Income*
- *Social Enterprises* - a business venture operated by an NGO with a social purpose
- *Investment Income* - the use of "endowments" as a means for creating wealth to finance grant-making foundations and other organization

It must be noted that there is increasing evidence that NGOs are turning more and more towards different types of self-generated income and moving away from grants.[54] These different models of self-generated income should be studied and explored as a means of weaning Palestinian NGOs away from subsidies in the future.

- *Promote adoption of best practice in financial sustainability among NGOs*. Existing initiatives should be documented and discussed to promote the consciousness for financial self-reliance among other NGOs. The ICN financial sustainability study practices in Eastern Europe is replete with examples of such initiatives.

- *Promote effective strategic planning, management, financial planning and resource generation at NGO level to increase effectiveness and sustainability*. An earlier suggestion on improving governance by instituting strategic thinking is also a sustainability measure. The more NGOs are able to think ahead, the more they are able to plan and manage their financial requirements. Developing this long view of development management also enables NGOs to appreciate the need for good governance at the present time in order to develop their organizational capacities to meet future goals.

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http://www.icnl.org/knowledge/pubs/Financial_Sustainability.pdf#search=%22NGO%20financial%20sustainability%22. September 8, 2006.

[54] *In Johns Hopkins University's study entitled "Global Civil Society, An Overview (2003)", discovered that in 32 countries surveyed, 53% of civil society organizations' income comes from fees and charges for services while only 35% comes from government and 13% from philanthropy.*
http://www.jhu.edu/~ccss/pubs/pdf/globalciv.pdf. September 8, 2006. See also Layton, Cesar, "A New PNAradigm in Developing Country NGO Financial Sustainability", The Willian Davidson Institute at the Univeristy of Michigan. June 2006.
http://www.wdi.umich.edu/files/Publications/PolicyBriefs/2006/PB51.pdf#search=%22NGO%20financial %20sustainability%22; and SustainAbility, "The 21st Century NGO: In the Market for Change", UNEP, UN Global ComPNAct. 2003.

- *Promote the active sharing of information, databases to maximize use of resources*. Active information exchange is a small but effective measure of sustainability. NGOs must be encouraged to share their experiences, tools and other information resources to others to minimize duplication of efforts, increase innovation and create greater efficiency. For instance, NGOs can share information about training facilities, research materials, and equipment. These items may be made available for free or for a fee so the source can recover its cost of production or create some revenue from the exchange.

- *Encourage business sector and diaspora to establish local social development fund*. The local business sector should be encouraged to establish a local version of two models that have been created several decades ago: the Philippine Business for Social Progress (www.pbsp.org) which was established in 1970 and the Dividendo Voluntario para la Comunidad in Venezuela (http://www.dividendo.org/) which was established in 1964. These two organizations are still very much alive and are now a testament to the success of their endeavor to give business a social development role.

20.5.1.2. *Institutional effectiveness*. A number of recommendations were previously made on institution building as an element of increasing effectiveness and efficiency in delivery of services as well as in improving governance of NGOs. These same efforts will also contribute to attaining sustainability of NGOs' work if effectively implemented. For instance, the relevance of NGO work can be sustained if there is a dynamic link between them and the community. Relating with local authorities will increase the legitimacy of NGOs' work at the local level. Constantly producing quality outputs that are sensitive to the needs of the community coupled with innovative approaches to addressing these needs will enhance NGOs' credibility and can ensure a constant flow of resources. As stable, strategic and constantly adaptive institutions, NGOs can constantly reinvent themselves to serve an important social purpose. However, as static, narrowly focused organizations, they will soon find themselves obsolete because the services they provide are no longer needed by their intended "market".

20.5.1.3. *Enabling environment.* The Development Gateway defines an enabling environment as: "… a set of interrelated conditions -—such as legal, bureaucratic, fiscal, informational, political, and cultural--that impact on the capacity of CSOs and other development actors to engage in development processes in a sustained and effective manner."[55] This connotes a broad approach to creating the setting for NGO work to flourish. For instance, the 2005 NGO Sustainability Index for Central and Eastern Europe and Eurasia, states that: "… the legal and regulatory environment should support the needs of NGOs. It should facilitate new entrants, help prevent governmental interference, and give NGOs the necessary legal basis to engage in appropriate fund-raising activities and legitimate income-producing ventures." Thus the debates about certain provisions of NGO Law 1 should be resolved to prevent problems from arising in the future regarding these controversial provisions. In addition, the social climate for NGO development also needs to be primed. Concerns about the loss of the spirit of volunteerism as a result of the proliferation of paid NGO work can be quite detrimental to

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[55] *Development Gateway, "What is an enabling environment",*
[*http://topics.developmentgateway.org/civilsociety/rc/BrowseContent.do~source=RCContentUser~folderId=2818*](http://topics.developmentgateway.org/civilsociety/rc/BrowseContent.do~source=RCContentUser~folderId=2818)*. September 8, 2006.*

the sustainability of NGO work. The Johns Hopkins University's "*Global Civil Society, An Overview*" reports that over 43% of civil society workers are volunteers --- 20% of the adult population of the 35 countries surveyed perform volunteer work.[56]   As such, Palestinian NGOs need to constantly harness this vast pool of human resources which the Johns Hopkins study estimates to be twice are large as the value of philanthropy in the countries where they occur.[57]

'Old' and 'new' NGOs			
Issue	20th Century	21st Century	Comment
Status	Outsiders	Insiders	20C NGOs spent the second half of the century as outsiders, challenging the system. 21C NGOs will increasingly be part of it.
Focus	Problems	Solutions	20C NGOs spotlighted problems, seen as symptoms of market failure. 21C NGOs will focus on solutions, delivered through (and often disrupting) markets.
Structure	Institutions	Networks	Many 20C NGOs started small, then grew into major institutions. Growth will continue, but 21C NGOs will invest heavily in networks.
Funding	Guilt	Investment	Much 20C NGO funding was fuelled by public anger or guilt. 21C NGOs will aim to persuade supporters that they are good investments.
Worldview	1-D	3-D	20C NGOs communicated in sound-bites, with single-issue campaigns. The 21C agenda will be multi-dimensional, ditto most successful NGOs.
Accountability	Ad hoc	Strategic	Most 20C NGOs followed charity sector rules. 21C NGOs adopt best practice in transparency, accountability and governance.

Source: The 21st Century NGO: In the Market for Change

20.5.2.   *Proposed types of assistance.*
20.5.2.1. *Support studies and promotion of sustainability strategies*.   Efforts at pilot testing models of financial self-reliance must be encouraged. For instance, NGOs that

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[56] *Johns Hopkins University's …, p. 15.*
[57] *Johns Hopkins University's …, in Moore, David …, p.8.*

are able to charge fees for their services (such as those in health and education) must be encouraged to do so. Technical assistance must be given to these NGOs in setting up fee structures and financial planning. This will provide local experience and context from which such efforts can be promoted in the future.

20.5.2.2. *Support publication and dissemination of sustainability strategies*. Documentation of local and global experience should be widely disseminated to propagate the different experiences in sustainability models.

20.5.2.3. *Technical assistance in setting up a Palestinian social development fund*. Support should be provided to setting up a local social development fund either from the local business sector and/or the Palestinian diaspora.[58]   The PBSP and Dividendo Vountario models should be explored as a way of managing this fund as these have already proven to be effective.

20.5.3.   *Related recent and current initiatives*.
20.5.3.1.   A group of individuals from the private sector and from NGOs has been exploring the prospects of setting up a community endowment trust fund. A draft of a working paper is being written to flesh out the concept and strategies in raising the endowment. Efforts should be made to link up with this group to harness their ideas and support their initiative.

20.5.3.2.   One of the agreed upon role of the NDC is for it to become a fund-raiser to assist small NGOs. This is a good initiative from within the NGO community which should also be supported.

20.5.3.3.   One of the program components of PNGO III is Develop[ing] the Enabling Environment.   This component aims to strengthen the level of cooperation between NGOs and the PA. Activities could include facilitating the dialogue between the PA and NGOs on enhancing the legal framework for NGO activity, improving relations between the Ministry of Interior and NGOs and supporting advocacy on tax exemptions to private sector contributors. This program component should be used to address the strategic components suggested above.

20.5.3.4.   The Welfare Consortium, through PNGO, commissioned a study on *The Long-Term Financial Sustainability of the Palestinian NGO Sector* which came up with a comprehensive assessment of and recommendations for the financial sustainability of Palestinian NGOs. This should be reviewed and the recommendations applied to the suggestions above.

20.5.4.   Institutional arrangements.
20.5.4.1.   There are already a good number of NGOs that are already charging fees for their services. Depending on their services and the markets that they serve, some of them may actually be able to attain self-sufficiency by adopting a paradigm of fee-for-service or by simply improving their pricing structure. One health care NGO in Tulkarem has very advance medical equipment which it was able to acquire through grants. However, the center is reluctant to charge a higher fee even to their patients who can

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[58] *In interviews with two leading personalities in the PNAlestinian private sector, both expressed interest in exploring the Philippine Business for Social Progress and Dividendo PNAra la Comunidad models of establishing a social development foundation as an expression of corporate social responsibility.*

afford to pay because the management said they were established as a service to the community. They did complain though that they were already hard pressed to maintain their operations because of lack of revenues. Another NGO in Ramallah operates a museum which houses an impressive collection of traditional Palestinian clothing. When asked why they do not charge entrance fees from people who visit the museum, the management said they are a charitable institution so their services must come free to the public.

B.   Recommendations for strategy refinement and implementation

21. **Refinement of strategy**
21.1. ***Follow up consultation on the final draft of the strategy***. This proposed strategy paper should be presented to the same group of stakeholders that reviewed the strategy framework (August 24) plus others whose comments and support are crucial in finalizing the strategy. In addition, it is strongly suggested that special consultations be held with donors, key government officials who are knowledgeable of NGOs and leaders of the private sector. Another round of FGDs should also be conducted with NGOs in Tulkarem, Nablus, Ramallah, Hebron and Gaza. Ample time should be given to organize these FGDs to ensure broad participation.
21.2. ***Refinement of strategy based on feedback***. The final version of the strategy should incorporate as much of the feedback and suggestions from the above consultations as possible. This will ensure that the final strategy captures the expectations of stakeholders. This will also obtain their support for the strategy. When finalized, the strategy should be published and disseminated as widely as possible.

22. **Strategy implementation and accountability**
22.1. Implementing this strategy (if approved in its current structure) will be quite a challenge. Since this is intended to be a strategy for the whole NGO community, it is strongly suggested that responsibility for its implementation be shared by as broad a spectrum of NGOs and stakeholders as possible. Responsibility for implementation cannot be lodged in one organization since the strategy is quite complex and no single organization could have the human power and resources to implement it on its own. As much as possible, a democratic and non-hierarchical collaborative mechanism should be established for the implementation of this strategy to ensure multi-stakeholder ownership.
22.2. The recommended approach to implementation is division of labor and coordination. For instance, working groups can be established for each objective made up of different NGOs and other stakeholders. One or two lead NGOs with the competence related to that objective could be assigned as working group convenor. A secretariat could also be assigned to coordinate activities of each working group and report the same to all other organizations participating in the implementation of the strategy. A steering committee (made up of lead organizations for each objective plus other eminent persons) could also be established to take over-all responsibility for strategy implementation.
22.3. Monitoring and assessment/evaluation is another important concern that should not be overlooked. One option in this regard could be a regular reporting/

monitoring report that will be made public by an over-all secretariat. Another option is for an institution to independently monitor the implementation of the strategy and evaluate the effectiveness of implementation on an annual basis (similar to the annual evaluation and reporting that is done by Transparency International). Regardless of which option is eventually considered, an annual assembly of all interested parties to evaluate implementation of the strategy should be seriously considered. Such an assembly will be an opportunity to constantly refine the strategy, broaden awareness of the issues that are tackled in the different working groups, manage competition and promote greater coordination within the NGO community. A report on this annual assembly should be widely disseminated in order to increase awareness of the existence of this strategy and to encourage more groups to participate in implementation.

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Appendices

A -   *List of Key Informants*
B -   *List of Participants in Consultations on the Strategy Framework*
C -   *Role of NGOs in meeting the challenges in the next 3 years*
D -   *Proposed strategy framework for NGO sector development in Palestine*

Appendix A
List of Key Informants

1. Zahi Khoury
   CEO, National Beverage Company
   Chairperson, NGO Development Center

2. Mazen Sinokrot
   Chairperson and CEO, Sinokrot Global Group

3. Dr. Mustafa Barghouthi
   Member, Palestinian Legislative Council
   Secretary General, Palestinian National Initiative

4. Dr. Cairo Arafat
   Director General for Aid Coordination, Ministry of Planning

5. Dr. Abdel Al Rahman Tamimi
   Director General, Palestinian Hydrology Group

6. Dr. Ayman Rabi
   Executive Director, Palestinian Hydrology Group

7. Dr. Varsen Aghabekian
   President's Office

8. Garret Dorer
   Chief of Party, Tamkeen Project, USAID

9. Fadwah El-Sha'r/Khawajh
   General Director, General Administration for NGOs and Public Affairs, Ministry of
   Interior

10. Dr. Husam Khraim
    Assistant Deputy Director, Ministry of Health

11. Dr. Mohammed AIMbaid
    Chief of Party, Palestinian Legislative Strengthening Project, USAID

12. Janet Michael
    Mayor, Ramallah Municipality

13. Mahmoud Abdullah
    Deputy Mayor, Ramallah Municipality

14. Ahmed Abdulaban
    City Director, Ramallah Municipality

15. Sami Khader

Director General, Ma'an Development Center

16. Sam Bahour
    Partner, Applied Information Management

17. Nora Murad

18. Allam Jarrar
    Member, Steering Committee, Palestinian Non-Governmental Organizations Network (PNGO)

19. Dr. Suleiman Al-Khalil
    Chairperson, Palestinian Institute for NGOs

20. Mazen Hashweh
    Director, Resource Development, Communication and Media

21. Amb. Izzat Abdulhadi
    Head of Delegation of Palestine to Australia

22. Nora Kort
    Country Representative, IOCC

Appendix B
List of Participants in Consultations on the Strategy Framework
(August 24, 2006)

	Name	Organization Name
	Gaza	
1.	Isam Hiless	Artists plastic Society
2.	Ahmad Al-Sorani	Agricultural Development Association
3.	Ahmad Mushtaha	Al-Wafah Charitable Society
4.	Issa Barghout	Arab Center for Agricultural Development
5.	Nariman Abu Kwik	Association of Women Social Work
6.	Siham Abu Hana	Association of Women Social Work
7.	Mahamad Othman	Cultural and Free thought Society
8.	Mahamad Abu Hasaneen	Cultural and Free thought Society
9.	Na'em Kabaja	Deaf Children Society
10.	Mohamad Hamdan	Jabalia Rehabilitation Society
11.	Fadi Al-Hindi	Maan Development Center
12.	Mahamad Shamiah	Maan Development Center
13.	Abd-Halim Al-Ghoul	Palestinian Association for Development and Reconstruction
14.	Wassef Al-Wkhiri	Palestinian Future Society
15.	Zayed Hararah	Palestinian Future Society/ Talassemia Center
16.	Nahid Eid	Palestinian Future Society – Thalassemia center
17.	Jamal Al-Ruzi	Palestinian Medical Relief Society
18.	A'ad Yaghi	Palestinian Medical Relief Socity
19.	Manal Siam	Public Aid Socity
20.	Imad Al-Hatab	Red Crescent Society
21.	Sanaa Al-Misshal	Red Crescent Society
22.	Nizar Mohssen	Union of Health Work Committees
23.	Hatem Al-Kirnawi	Union of Health Work Committees
24.	Amjad Al-Shawa	Union of Palestinian NGOs
25.	Nisreen Al-Najjar	USAID
26.	Maha Al-Shawwa	Welfare Association
27.	Atef Al-Ghossen	Welfare Association
	Rammallah	
.28	Omar Tabkana	Union of Agricultural Work Committees
.29	Nael Nimer	Silwad Municipality
.30	Maher Adel	Silwad Municipality
.31	Amer Jawabreh	Al Islah Society
.32	Amal Masri	Women Work Society
.33	Ekerma Rayan	Beit Duqo for Development
.34	Ameneh Ate'h	Princess Basma Organisation for the Disabed / Jerusalem
.35	Samer Salameh	Johoud Organization for Social and Rural Development

	Name	Organization Name
.36	Yahia Naf'a	Johoud Organization for Social and Rural Development
.37	Bahjat Samhan	Local Council of Ras Karkar
.38	Rizek Nofal	Local Council of Ras Karkar
.39	Hamdi Khawaja	Democracy and Workers' Rights Center
.40	Marwan Drzi	Democracy and Workers' Rights Center
.41	Usri Mohammed	Deir Amar Youth Activities Center
.42	Sultan Mansour	Nawafiz Youth Forum
.43	Abdallah Rayan	Nawafiz Youth Forum
.44	Mohammed At'ay	Palestinian Child's Club
.45	Nasif El Deek	Palestinian Child's Club
.46	Jad Mansour	Safa's Club
.47	Bethlehem	
.48	Etaf Rasas	Arab Union Society
.49	Joulia Dabdoub	Arab Union Society
.50	Khalil Herbawi	Islamic Charitable Society
.51	Muhesen Ata'weneh	Islamic Charitable Society
.52	Ibrahim Al Tareh	Palestinian Red Crescent Association
.53	Imad Abu Muhor	Arab Society for Rehabilitation – Bethlehem
.54	Goerge Al Tareh	The Elderly's House
.55	Lidya Al A'raj	Charitable Child Care Society
.56	George Abu Hamameh	Charitable Child Care Society
.57	Ghassan Hirmas	Orphan Care Society
.58	Amal Naer El-Deen	Hebron Women's Benevolent Society
.59	Wafa Karaki	Hebron Women's Benevolent Society
.60	Majed Douk	Patients Friend's Society
.61	Mohammed Shalaldeh	SOS
.62	Raoof A'zar	Union of Health Work Committees – Beit Sahour
.63	Mahera Nasar	Union of Health Work Committees – Al Waha
.64	Raed Muhath	Union of Health Work Committees – Halhoul
.65	Deema al E'rfan	Union of Health Work Committees – Halhoul
.66	Raeda Al Hawash	Bethlehem university alumni union center for research
.67	Nafez Al Rifai	Bethlehem university alumni union center for research
.68	Nasri Qoumsieh	Applied Research Institute / ARIJ
.69	Fida Abu Sayemh	Applied Research Institute / ARIJ
.70	Nabeel Adli	Red Crescent Society
JENEN		
.71	Rafeq Abu Sufian	General Union for Disabled
.72	Ghaleb Abu Baker	Patient's Friends's Benevolent Society
.73	Ghada Hassan	Patient's Friends's Benevolent Society
.74	Mazen Ghannam	Agricultural Marketing cooperative Society
.75	Nitham Sha'aban	Jalameh Benevolent Society

	Name	**Organization Name**
.76	Abdel Rahim Hanashea	Benevolent Society for Orphan Sponsoring
.77	Issa Awad	Zababda Benevolent Society
.78	Talal Al Hantoli	Palestinian Charitable Society
.79	Naem Kasem	Palestinian Charitable Society
.80	Ahmed Abu Al Rub	Benevolent Society for Palestinian Blind
.81	A'ehed Abed El Hamed	Al Yamoon Benevolent Society
.82	Bassam Hab El Reeh	Rehabilitation and Care of the Blind Society
.83	Yassen Abu Souror	Rehabilitation and Care of the Blind Society
.84	Muhana Najem	Rural Development of the Child Society
.85	Eid Hanaesh	Rural Development of the Child Society
.86	Faisal Samour	Jenin Benevolent Society
.87	Mohammed Yahia	Jenin Benevolent Society
.88	Mohammed Hamad	The Solidarity and Cooperation Charitable Society
.89	Jamal Abu El E'ez	The local committee for Rehabilitation of the Disabled
.90	Bilal Esfera	Zakat Tulkarem Society
.91	Hamed Ka'dan	Zakat Tulkarem Society
.92	Mohammed Saleh	Local Council of Abu Dae'f
.93	Abed El Aziz Wahbeh	Local Council of Abu Dae'f
.94	Yaser Darwish	Omnieh Center for Youth
.95	Sireen Mur'i	Kufrdan Center
.96	Khitam Al Sa'di	Eastern Women Center
.97	Ghofran Badaeh	Eastern Women Center
.98	Adeeb Al Ghozh	Al Razi Hospital
.99	Hateem Abu Sawakta	Tobas sports Club
.100	Jawad Abu Al Siba'	The local committee for Rehabilitation of the Disabled
.101	Mohamed Dahleh	Rehabilitation and Care of the Blind Society
.102	Bilal Musa	
.103	Zakarneh	Woment Center of Deir Ghazaleh
NABLUS		
.104	Tharwa Abu Ziena	Unoion of Health Care Committees / Azon
.105	Nadia Shihadeh	The Palestinian Federation Women's Action Committees
.106	Alia Je'an	The Palestinian Federation Women's Action Committees
.107	Majeda Al Masri	The Palestinian Federation Women's Action Committees
.108	Hasan Darwazeh	Arab Union Women Society
.109	Walid Nazal	Al Amal Association for Deaf
.110	Ziyad Emresh	Al Tadamon Benevolent Society
.111	Jihan Al Masri	The Cultural and Social Charitable Association
.112	Abla Zu'be	The Cultural and Social Charitable Association
.113	Ali Abed El Fatah	Palestinian Family Planning and Protection Benevolent
.114	Firas Sayeel	Palestinian Benevolent Society for the Care of the Deaf

	Name	**Organization Name**
.115	Salman Diyab	Palestinian Benevolent Society for the Care of the Deaf
.116	Afaf Al Khayat	Palestinian Family Planning and Protection Benevolent
.117	Rima Bakeer	Care for Children with Special Needs
.118	Asma'a Odeh	Care for Children with Special Needs
.119	Ibrahim Hilal	Qaruot Benevolent Society
.120	Suha Sahyegh	Bisan Center for Research and Development
.121	Fathi Kan'ad	Hetin Sports Club
.122	Qayes A'weseh	Hetin Sports Club
HEBRON		
.123	Husam Teneh	Tarqomia Municipality
.124	Mohamed Eghreeb	Tarqomia Municipality
.125	Abed El Halim Al Darawesh	Dora Municipality
.126	Maher Al Awawdeh	Dora Municipality
.127	Asem Al Tamimi	Al Ihsan Benevolent Society
.128	Iyad Souror	Al Ihsan Benevolent Society
.129	Abed El Nabi al Hawamedeh	Al Samou' Charitable Society
.130	Shafeek Abu Hamad	Al Samou' Charitable Society
.131	Ahamed Abu Sara	Beit Ommar Charitable Society
.132	Afaf Bader	Beit Ommar Charitable Society
.133	Huda Al Natsheh	Hebron Women's Benevolent Society
.134	Ibrahim Ghanem	Soureef Youth Renaissance
.135	Rana Al Ja'bari	Society of the Business men
.136	Abed El Hamed Hafez	Beit Noba Society
.137	Akram Al Shouroq	Beit Noba Society
.138	Ahmed Al Tamimi	University Graduate Union
.139	Jamal Talab	Land Research Center
.140	Nazela Shadid	Dora Women's Club
.141	Nariman Al Rejoub	Dora Women's Club
.142	Samih Al Hour	Benevolent Society for the Advancement of Village
Universities		
.143	Adli Saleh	The Arab American University Jenin
.144	Osama Al Omari	The Arab American University Jenin
.145	Basem Kashou'	Al Quds Open University
.146	Mamoun Abu Alia	Al Quds Open University
.147	Sami Al KIlani	An Najah National University
.148	Bilal Salameh	An Najah National University
International		
.149	Caroline Khalaf	British Council
.150	Frank Samol	GTZ – Deutsche Gesellschaft Fur Technische Zusammenarbeit
.151	Ureib Amad	Fredrish-Naumann Foundation FNF
.152	Fadi Hidmi	UNDP / PAPP

	Name	**Organization Name**
.153	Tommas Garofalo	Catholic Relief Services
.154	Jennifer Chiodo	World Vision
.155	Rania Al Jawi	Save Children Federation (SCF)
.156	Mohammed Alami	Save Children Federation (SCF)
.157	Garrett Dorer	Tamkeen Prrett Project
.158	Hussam Qaradeh	Tamkeen Prrett Project
.159	Raid Malki	CIDA
.160	Halla Bitar	Pontifical Mission
.161	Nora Lester Murad	Recommended by Zahi Khoury

Appendix C

Role of NGOs in meeting the challenges in the next 3 years

Role of NGOs / Key issues	Weak governance	Increasing demand for basic services	Economic deterioration	Rising poverty and unemployment	Social transformation
Asserting and advancing national sovereignty	Engaging in formulation of national political agenda	Promoting steadfastness through providing basic services	Promoting economic livelihood and self reliance	Promoting pro-poor development and empowerment strategies	Promoting political, social, and cultural dialogue and consensus building
Delivery of basic services	Participating in formulation of national agenda and allocation of resources	Filling the gap – coordination and complementation with government, develop appropriate alternative technology	Promoting economic livelihood	Ensuring availability and accessibility of basic services to poor and marginalized, job creation, develop appropriate alternative technology	
Strengthening civil society	Watchdog, advocacy in formulation of laws and regulations and in human rights and democracy, promote coordination, institution building, promoting national agenda towards international community	Promoting the right of the poor to access basic services, networking with other providers in the delivery of basic services	Policy research and advocacy for economic equity, trade promotion and regulation under a sustainable framework	Advocating for equal opportunity and rights of the poor	Promotion of democracy and civic culture, advocating for rule of law and respect for human and civil rights, promotion of pluralism, diversity and respect for opinion of others, peace and reconciliation
Promoting dialogue and interaction	Promoting coordination and cooperation among different stakeholders, create platform for promoting dialogue on national issues and concerns	Promoting coordination and cooperation among different stakeholders, exchange of experience and learnings, facilitating interaction with and among the community to surface their	Engaging in dialogue on a national economic agenda, promoting coordination in developmental programs and projects to maximize limited resources	Enabling the poor to articulate their needs and aspirations, creating dialogue on effective approaches to reducing poverty	Creating platforms for cultural, social and ideological dialogue, exchange of experience and learnings in development issues and models

Role of NGOs / Key issues	Weak governance	Increasing demand for basic services	Economic deterioration	Rising poverty and unemployment	Social transformation
People empowerment	**Awareness building on dynamics of national and local issues, building capacity in participating in formulating priorities and policies at national and local levels, promote an enabling environment to encourage people to participate in local decision-making processes**	**needs Create awareness of people's rights to access to basic services, increase people's participation in planning, ownership and management of services**	**Creating involvement in economic development process; technical assistance and capacity building to enable people, especially women and marginalized groups, to access knowledge, markets, and financial resources**	**Promoting job opportunities and anti-poverty programs for marginalized groups, providing information and capacities for people to access economic opportunities**	**Ensuring inclusion of different segments of society in dialogue and participation mechanisms; promote platforms for cultural, social and ideological dialogue**

<u>**Appendix D**</u>

Proposed strategy framework for NGO sector development in Palestine

Goal: Enable NGOs to strengthen civil society's role in asserting and advancing national sovereignty, nation-building and sustainable development of Palestine

Objective/s	**Strategic components**	**Proposed Types of Assistance to NGOs**	**Current programs/ initiatives (by whom)**	**Institutional Arrangements**
Increase effectiveness and efficiency in delivery of services in complementarity with other service providers	- participating in drawing national development agenda and sectoral plans and in the delivery of services based on identified roles - strengthen networks/ coordinating bodies in service delivery - creating partnerships in service delivery - institutional capacity building in service delivery - promoting the use of participatory planning and impact assessment methods and tools - promoting standards and benchmarks in delivery of basic services - institute flexible and responsive planning and implementation mechanisms incorporating development perspectives in delivery of services (i.e., linking relief and emergency interventions to development perspectives and priorities)	- support for delivery of services in areas identified by networks and coordinating bodies as priorities (with special emphasis on rural areas, refugee camps, and marginalized groups) - support formation of NGO Forum to advance dialogue, consensus building and coordination in service delivery across networks - support establishing coordination, collaboration and partnerships in service delivery among the NGOs and between them and other stakeholders, especially local authorities,	- Creation of NGO Forum - restructuring of national, sectoral and regional coordination and consultation mechanisms (Min. of Planning) - Medium Term Development Planning and Budgeting (Min of Planning)	- relate with ministries on how to improve NGO participation in consultative and planning mechanisms - promote regular dialogue coordination between NGOs and donor networks (e.g. AIDA)

Objective/s	Strategic components	Proposed Types of Assistance to NGOs	Current programs/ initiatives (by whom)	Institutional Arrangements
		CBOs, and public sector institutions - funding for policy research and development to improve service delivery (e.g. benchmarks in costs and timeframes in delivery of services) - assistance in promoting best practices and in networking in micro and small enterprise development - support sectoral networking activities (health, education, agriculture, social protection, etc.) - technical assistance in better targeting in delivery of services - technical assistance in participatory planning and M&E systems (e.g. beneficiary feedback/impact assessments)		
Improve governance practices of NGOs	- improving the legal and regulatory enabling environment for NGOs - instituting participatory planning and management modes of operation - promoting strategic thinking and competence among	- promoting broader utilization of good governance practices, self-assessment, M&E and strategic planning tools	- Aman project - PNGO financial and administrative review of its members - Tamkeen project (USAID)	- provide incentives for small NGOs to obtain assistance from big NGOs and other service providers in strategic management

Objective/s	Strategic components	Proposed Types of Assistance to NGOs	Current programs/ initiatives (by whom)	Institutional Arrangements
	NGOs - strengthening the transparency and accountability of NGOs towards their constituencies	(e.g. encouraging NGOs to publish their annual/financial reports) - assistance in defining role, mission and mandate - financial and technical assistance in developing and internalizing democratic decision making and participatory management - assistance in developing appropriate transparency and accountability measures		and good governance
Strengthen civil society and democracy in Palestine	- promoting development of national vision - creating discussions on the role of different stakeholders in society - multistakeholder dialogue on good governance - promoting gender equity and respect for and protection of human and civic rights - advocating for good governance in public and private sector - advocacy for corporate social responsibility towards private sector - performing watchdog functions towards government - advocacy for public policies to strengthen democracy, human civic rights and	- support multistakeholder dialogues on issues of democracy, human and civic rights and national sovereignty - support for publication and dissemination of materials arising from these dialogues and conferences - support studies and research in democracy and human rights - support NGO participation in international conferences and networks	- Civicus civil society index (Bisan) - Palestinian Legislative Support project (USAID)	

Objective/s	Strategic components	Proposed Types of Assistance to NGOs	Current programs/ initiatives (by whom)	Institutional Arrangements
	responsiveness to the needs of the poor and marginalized - promoting and creating models and platforms for non-violent conflict resolution and social/cultural/ideological interaction mechanisms - promoting participation in regional and international NGOs and civil society networks and forums - advocating and promoting widest regional and international support to and protection of Palestinian national rights and aspirations			
Promote community empowerment and increase people's participation in local development	- create community awareness of dynamics between local and national issues - develop/strengthen local NGO/sectoral/CBO cooperation - create dynamic links between national NGO/sectoral structures and local counterpart structures - promote an enabling environment to encourage people to participate in local decision-making processes ---create/strengthen local development committees - promote NGO/CBO participation in local development planning processes with local authorities and stakeholders	- support creation, participation of CBOs in local networks and platforms for dialogue (focus in key areas with high potential for local development) - support publication and dissemination of popular education materials and discussions in local consultative structures - capacity building for local NGOs and CBOs in local development planning	- Participatory development planning program (UNDP) - District Poverty Alleviation Committees (National Committee for Poverty Alleviation) - Local authority reform and decentralization (Ministry of Local Government) - Municipal Trust Fund	- utilize local academic institutions in training and policy research for people's participation in local development - NGO - donor coordination at local level (district/region)

Objective/s	Strategic components	Proposed Types of Assistance to NGOs	Current programs/ initiatives (by whom)	Institutional Arrangements
		- support women and youth leadership programs - establishment of internet cafes in key local communities and capacity building for use of these facilities for information and communication - documentation, publication and dissemination of best practices in people's participation in local development		
Promote sustainability of NGO development work	(i) <u>Economic Sustainability</u> - document global and local best practices in initiatives for financial sustainability of NGOs - promote adoption of best practice in financial sustainability among NGOs - promote effective strategic planning and management and financial planning and resource generation at NGO level to increase effectiveness and sustainability - promote the active sharing of information, databases to maximize use of resources - encourage business sector and diaspora to establish local social development fund	- support studies and promotion of sustainability strategies - support publication and dissemination of sustainability strategies - provide incentives for big NGOs to assist small NGOs/CBOs in strategic planning and management - technical assistance in setting up a Palestinian social development fund	Community endowment trust fund (c/o Nora Murad) Establishing the NDC	- dialogue with private sector on creating local philanthropy/social development fund

Objective/s	Strategic components	Proposed Types of Assistance to NGOs	Current programs/ initiatives (by whom)	Institutional Arrangements
	(ii) <u>Institutional Sustainability</u> - strengthening institutional linkages and partnerships between national and local NGOs/CBOs and local authorities - enhancing institutional abilities and capacities of CBOs to assume responsibility for continuing service in their communities - instituting institutional support system/mechanism to NGOs (iii) <u>Environmental Sustainability</u> - enhancing NGOs credibility and acceptance within the community through producing outputs of quality and standard, and responsive to the local as well as national needs and priorities (iv) <u>Behavioral Sustainability</u> - promoting volunteerism and community participation and involvement in the development process (v) <u>Policy Level Sustainability</u> - advocating/promoting the formulation of policies enhancing institutionalization of structures, processes, laws, regulations, and standards related to NGOs			