Profile of Donor Assistance to Palestinian NGOs:
Survey and preliminary findings

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Introduction
The contribution by international donors towards the development efforts of Palestinian civil society has always been vital. As many as 130 foreign donors are actively assisting Palestinian NGOs today; the majority do so through an established local contact in Palestine. Together these donors contribute annually more than $60 million to the NGO sector, a total of US$ 248 million during the last four years. This contribution constitutes an estimated 10-20% of the total international donor assistance to the Palestinian people.

While the donor role played by the international community has been significant toward Palestinian NGOs, there are no reliable statistics or other data about the scope of their activities and the level of assistance, except the MOPIC's Monitoring Report of Donor Assistance which represents primarily bilateral assistance between governments or government-sourced assistance. Accordingly, the Welfare Association decided to initiate a survey of donor organizations who assist the Palestinian NGO sector in order to compile systematic information about policies, projects, and funding sources.

I conducted this survey during the summer of 1998. Data was collected through formal interviews with donor organizations, identified mainly through the UNSCO directory. The organizations researched were: governmental (GOVs), inter-governamental (IGOs), and international non-governmental (INGOs)

The information collected was entered into a specially designed database using Microsoft Access to facilitate searches, analysis and data updating. The database can generate statistical and graphic reports about the distribution of project funding by sector and subsector, geographical area (at the level of district, city, or village/hamlet), sources of funding, and direct and indirect beneficiaries. The database was designed to be user-friendly and can provide cross-tabulated information for 30 different factors.

The survey gathered information from about 100 organizations. Despite the reluctance of a few organizations to release detailed information, the data obtained in general is a sound basis for a database on PNGO projects funded by international NGOs. In this article the findings which will be presented is a preliminary one as the database is currently subject of revising.

1 - The Welfare Association is a privately funded non-profit organization registered in Switzerland. Established in 1983 by a group of prominent Palestinian business and intellectual figures.
1. Sectoral profile

The survey tried to determine the amount of funding allocated for different sectors. Irrespective of the various peaks and falls in funding over the years, an overall sense of funding direction for the period 1995-1998 can be ascertained: (See table 1)

1. Education and health still remain the most important sectors of interest for NGOs, although formal responsibility for these areas was transferred to the Palestinian National Authority more than four years ago. While education received 23.3% of donor funds to NGOs (about $56 million) from 1995-1998, health received 19.6% ($50 million).

2. The other sectors share smaller percentages of the remaining 58% in donor funds. Although the largest Palestinian economic sector is agriculture, it remains neglected or ignored by donors, with only $18 million (7.4%) directed to the sector in the four-year period. The Palestinian Agriculture Relief Committee (PARC) is the main NGO working in the sector. It alone has received $12 million in support of agricultural activities.

3. The traditional NGO sectors of culture and social services have also small shares of total funding with $20 million for each (about 8%) for the period 1995-1998.

4. Micro-credit and the private sector in general lag far behind other sectors, indicating the lack of NGO activity in the economic sphere. Only 3.9% of total funding ($10 million) was devoted to these activities. Additionally, tourism, while important in the region, remains very marginal in the activities of the Palestinian NGOs with only 0.4% of total funding ($1 million).

5. It is very clear that there has been a dramatic shift in the orientation of both donors and Palestinian NGOs from relief assistance to development assistance. There is a very small percentage of relief activities in terms of total funds ($2 million which make up 1%) for the period 1995-1998.

6. There is a new interest and awareness by Palestinian NGOs in the environment which could be encouraged by INGOs in international debate on environment issues and decentralization of efforts between state and civil society. These projects involve core development issues for Palestinian society since most environmental projects concern water supply, sewerage, and solid waste treatment. It constitute 2.9% from the total funds ($7 million)

7. Human rights and democracy absorbed more importance in terms of funding with time. In 1998, this sector constituted 9.5% of funding ($5 million). Over the last four years, however, this area averaged only 4.4% of total funding (about $11 million). This percentage may be somewhat, but not substantially, larger since a few donors did not provide full information concerning projects in this sector.

8. According to the survey, the research sector received 1.9% of funding ($4.6 million), however, since this sector was funded by international foundations which did not have always a local presence, the percentage of funding it receives is assumed to be somewhat larger.

2. Subsectoral profile

We will see now the distribution of funding by subsector. (See table 2) Using subsectors allows more precision in determining sectoral profiles, although this was

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not possible to determine for all projects. The most useful subsectors proved to be women and development, and the handicapped. Projects for women received 7.2% of total funding, or $18 million over the last four years, while 11.4% of total funding was directed to the needs of the handicapped ($28 million). In some subsectors, such as early childhood or youth, it was difficult to identify which part of a funded project was oriented toward these categories.

3. Distribution of funding by district

The location concerned with here is the project location and not that of the head office of PNGOs or the implementing agencies. When accurate data was not available on the geographical distribution of funds, the funding was considered to be distributed for all Palestine. If the implementing agency or beneficiary operates only in the Gaza Strip or only in the West Bank, their projects were considered to be located only in that area, lacking any more detailed information. For future updating of the data it is very important to request donors to provide the precise location for their declared projects.

The following conclusions can be made regarding distribution of funds: (See table 3)

1. The distribution of funds for NGO projects was found to be extremely lopsided between the Gaza Strip and West Bank, with $26.4 million for Gaza (only 19%) and $111.5 million for the West Bank (81%). This is disproportionate to population and to apparent need: according to the latest census findings, the population of the Gaza Strip is 1,022,207 (35% of the Palestinian population) and has a far higher percentage of poverty and unemployment than the West Bank. This unbalance in funding could be explained by a structural factor like the weakness of the PNGO sector in Gaza, compared to that of the West Bank. The matter of logistics may also play a part, since the overwhelming majority of donors are based in the West Bank, and especially within Jerusalem. Some donors held the view that the PNA invests proportionately more in Gaza than in the West Bank (although this is not verified by statistics on funding), and chose to compensate for this by directing more funding to NGOs in West Bank.

2. In looking at the distribution of funding by district within the West Bank, Jerusalem enjoys a relatively larger share of total West Bank funding (25%). This finding does not support the general view that Jerusalem is ignored by donors. While some do not support projects in Jerusalem for reasons of “political sensitivity,” other donors have given it priority due to the city’s religious importance or as a means to support the endangered Palestinian population. The second most popular location for funded projects is Ramallah (7% of total West Bank) followed by Bethlehem (6%), Nablus (4.8%), Hebron (4.8%) and Jenin (3.8%). Bethlehem benefits from funding disproportionately to its population, especially when compared to larger cities such as Hebron and Nablus, probably due to the development efforts and special projects associated with the celebration of Bethlehem 2000. Tulkarm and Qalqilya represent marginalized districts.

3. In the distribution of funding by districts in the Gaza Strip, Gaza city represents 30% of the total funding to the region.

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2 The PNGOs were established legally in Gaza only after 1967. Before the Egyptian military authorities simply banned the formation and registration of local organizations and professionals unions, with the sole exception of the Lawyers’ Union.
4. In comparing the distribution of funding to population by district (according to the findings of the Palestinian census in 1998), the survey findings are only significant as a percentage and not as an absolute number. Table 4 show us that the share of funding for Jerusalem is equal to its share of population (11%), while Hebron, Tulkarm, Qalqilya, Tubas and Salfit are under-funded compared to the size of their population. In the Gaza Strip, the cities of Deir Balah, Khan Younis and Rafah are very poorly funded compared to the governorate of Gaza.

4. Supply availability compared to need assessment

With regard to the distribution of funding by sector and subsector, a question which could be raised is whether foreign funding which comes with administrative, economic and political constraints promotes the priorities of PNGOs. A way in which this could be examined is to analyze donors’ adherence or non-adherence to the priorities presented in the Needs Assessment for Services to the Poor and Marginalized in Jerusalem, the West Bank and Gaza, which was produced by the Welfare Association Consortium managing the World Bank-supported PNGO Project. This interesting study identifies separate priorities for Jerusalem, the West Bank and Gaza. The following conclusions were made from the survey concerning this issue:

1. A priority common to all areas was “non-formal and community education.” According to my survey, education, both formal and non-formal, has the greatest part of funding with 23.3% ($58 million).

Early childhood education was well served especially in 1998 with 4.5% of total funding and 2.4% in the period from 1995-1998. Vocational training did not receive a significant amount of funding, (about $5 million during 4 years), which represents 2% of total funding. For Gaza, the needs assessment identified community education on health issues as a priority, which was, in fact, well-served, especially regarding education on family planning and reproductive health.

Concerning the last area, some experts complained that this subsector is actually over-funded and has surpassed the absorptive capacity of Palestinian society. While there is near consensus among social scientists that education and job opportunities for women are the major factors in reducing fertility, donors still tend to focus on culture as the determinant factor of a high natural growth rate.

2. Health also was a priority for all three areas of Palestine. According to my survey, 19.6% of total funding was oriented to this sector ($50 million).

3. Income-generating and micro-credit projects, especially for women and orphans, the disabled and ex-political prisoners, was another priority in all three areas of Palestine. According to my survey $8 million was disbursed to this sector, constituting 3.9% of total funding, with most of it directed toward projects for women.

4. Rehabilitation for the disabled was a priority for both the Gaza Strip and West Bank (without Jerusalem). Funding for this purpose, either in the field of health, social services, education or vocational training for the disabled, was significant, with $28 million (11.4% of total funding). Funding for this subsector seems to be particularly disorganized, according to main actors. The chief complaint is an unbalanced distribution of resources by area. What contributes to this situation, other actors noted, was that occupancy of some centers is well below capacity, probably
due to movement restrictions of the population and difficulties of entering Jerusalem. A survey conducted by the Palestinian Planning Center in Gaza resulted in the same conclusion. However, what is clear from the survey is that existing vocational training for the disabled is not sufficient, especially in the West Bank.

5. Despite the fact that agriculture is another priority for the West Bank and Gaza Strip, only $18 million was disbursed in this sector.

6. Housing also was regarded as a priority in the needs assessment survey, but this was very rarely reflected in the projects funded by the donors (0.8%) who apparently considered the sector to be a responsibility of the Palestinian National Authority or the private sector.

**Conclusions**

To conclude some points could be emphasized:

1. The survey found that donors tend to have either a broad framework for sector priorities, which allows flexibility and leaves wide interpretation or, if there is a defined sector, the donor will not have defined programs or projects within the sector. Decisions about funding are in large part driven by institutional and idiosyncratic factors, as well as a substantial degree of serendipity. The counterparts encountered through the survey expressed their problem of identifying priorities and of creating an effective program.

2. Western country donors channel their aid directly to the PNGOs or indirectly through INGOs. It was noted, however, that sometimes donors unnecessarily flow aid through INGOs even for the purchase of equipment, and that the INGOs deduct a percentage of these funds for their own running costs.

3. Funding to women’s organizations and for projects assisting women totaled $18 million (7.2% of total funding). While this does not seem an exorbitant amount of money, the absorption capacity for this funding seems very problematic. An in-depth survey could assist in analyzing capacity. There was a general feeling expressed that the situation encourages duplication of projects, with a proliferation of women’s organizations presenting projects on gender issues which are not always adapted to the Palestinian reality.

4. The survey revealed a small sum of funds disbursed for the Palestinians in Israel, only $1.4 million (0.6% of total funding) from which half came from the Welfare Association.

Finally this survey point out that PNGOs agenda still obscure and need to be studied through an empirical reseach. Muwatin, a Palestinian Center for Democracy Study, has initiated a research program on the relationship between donors, international NGOs and Local NGOs in Palestine to be able to study the constitution of agendas and the establishment of networking between the global and the local.